Navy Infrastructure Reduction

Business Plan

Commercial Activities Working Group
December 17, 1998

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Executive Summary…

The Department of the Navy is constrained by declining budgets, a continuing high tempo of operations, and the need to make major investments in modernization and recapitalization. Consistent with the Vice President's National Performance Review and the results of the Quadrennial Defense Review, the Navy continues to pursue innovative initiatives to reduce infrastructure costs and provide savings that can be allocated to critical modernization and recapitalization needs, while still maintaining necessary readiness.

The Navy has clearly recognized the magnitude of the task confronting it and the need to both develop a long-term strategy to reduce infrastructure costs and provide the guidance necessary to implement the strategy. To facilitate the development and implementation of a strategy, a Commercial Activities Working Group (CAWG) was convened to develop courses of action for claimants to follow in pursuing cost-reduction efforts. This plan provides an outline of the strategies developed by the CAWG, the five major goals that comprise these strategies, and the specific actions necessary to achieve these goals. The CAWG concluded that any Navy-wide plan should provide the latitude for individual claimants to develop their own implementation plans and schedules to accommodate local circumstances. Consequently, this plan takes a summary approach, and only provides enough detail to develop a common understanding among all parties (budgeting and execution) to implement the necessary cost-reduction initiatives.

This is a very ambitious plan, and is reflective of the serious challenge facing the Navy. Successful execution will require strong action by Navy leadership, claimants, and individual commands. Representatives from a majority of the Navy's claimants developed the goals, strategies, and metrics described in this plan through a collaborative effort. As noted above, this plan attempts wherever possible to afford claimants maximum flexibility in developing and implementing their own supporting plans, while still providing a framework for consistency in approaches. The five goals outlined in this plan are:

Goal I	Navy infrastructure will attain its optimal corporate structure by FY2001.
Goal II	Allocate the undistributed wedge by claimant to achieve mandated annual savings by FY2003.
Goal III	Aggressively pursue savings related to studying 64,000 positions and identify additional positions for study by FY2003.
Goal IV	Implement initiatives that complement A76 competitive sourcing efforts to achieve steady state savings by FY2003.
Goal V	Support the business plan by centrally funding implementation of A76 studies and other cost saving strategies.

Key policy statements contained in this plan include:

The Navy will study all non-core functions for either competitive sourcing or privatization while all core functions will go through a business process reengineering (BPR) to achieve efficiency savings.

Pursue regionalization and competitive sourcing concurrently.

Every organization will strive to achieve a most cost efficient and effective organization through A76 studies, BPR and other initiatives.

No tenant should do what a host should do, no host should do what a complex should do, and no complex should do what can be done by the private sector more cost-effectively.

The respective claimant shall retain savings in excess of the wedge requirement.

Fund investment costs to support these initiatives.

This document outlines a plan that integrates Navy infrastructure reduction initiatives into an achievable program to meet an $8 billion reduction in funding. This plan requires aggressive execution of competitive sourcing under OMB Circular A76 procedures as the primary vehicle for infrastructure reduction. However, since A76 competitive sourcing procedures alone will not produce the necessary savings, additional initiatives such as regionalization, privatization, and business process reengineering are also incorporated in the plan. Many of these other tools will require further definition and quantification.

Navy leadership must assist in this major effort to reshape and streamline the infrastructure by defining the Navy's critical core functions. This step is absolutely necessary in order to reach an optimal Navy corporate infrastructure. In pursuing the strategies laid out in this plan, Navy leadership must also ensure the availability of resources (dollars, time, and people) for investment in the full range of available cost-reduction initiatives.

This plan is part of a dynamic, evolving process that will iterate over time based on changing circumstances and lessons learned. The cornerstones of the plan are the activities that will be responsible for implementing the initiatives described herein. They must be provided with both the tools and the means to execute all necessary actions and adapt the plan to local conditions. Success will ultimately depend on the diligence and ability of the implementing activities to aggressively pursue the actions specified in this plan. Innovative thinking on the part of Navy leadership and those responsible for executing this plan will be necessary if the Navy is to achieve the infrastructure-reduction savings that have been identified.

1.0 Background…

Operating Environment…

The Department of the Navy (DoN) is constrained by declining budgets, a continuing high tempo of operations, and the need to make major investments in modernization and recapitalization. Consistent with the Vice President's National Performance Review and the results of the Quadrennial Defense Review, the Navy continues to pursue innovative initiatives to reduce infrastructure costs and provide savings that can be allocated to critical modernization and recapitalization needs, while still maintaining necessary readiness.

Program Objective Memorandum (POM) 1998 identified competitive sourcing as a key tool to help reduce the cost of the shore infrastructure and projected the potential for $5.0 billion in savings through FY2005 ($2.5 billion in savings through FY2003 and annual steady-state savings of $1.2 billion in FY2004 and FY2005). Additionally, during POM 1998 efficiencies of 3.75% per year were determined to be achievable in Other Base Operating Support (OBOS) functions. Initiatives identified to achieve this reduction: regionalization of support functions; Installation Claimant Consolidation (ICC); Smart Base technology; outleasing, privatization, or commercial use of support facilities; demolition of unneeded facilities; and reduction of utility costs. The OBOS and competitive sourcing initiatives were developed separately, and overlap to a considerable degree in their targets and objectives for achieving over $8 billion in savings during fiscal years 1998 through 2005. (See exhibits 3 through 5.) A consistent, integrated approach is required in order to ensure that overall dollar reduction goals can be achieved. If properly executed, this approach will also result in a reduction of civilian personnel employed by the Navy, but this is not a specific goal of this effort, and no full-time equivalent (FTE) reduction targets have been identified.

Objective…

This document addresses the Navy's need to:

- Develop and articulate a business plan that comprises an integrated infrastructure reduction program based on the results of competitive sourcing studies and other business process reengineering (BPR) actions;
- Develop a core/non-core analysis that would identify functions suitable for competitive sourcing/privatization;
- Establish parameters and metrics for measuring the effectiveness of commercial activity studies and infrastructure reduction initiatives, and for estimating the magnitude of future savings;
- Develop a Plan of Action and Milestones (POA&M) for execution; and
- Assign responsibility for execution of all associated actions.

Vision…

This business plan is based on a vision of a Navy that: (1) performs its core functions in the most efficient manner possible; and, (2) relies on the private sector or other activities for the services that are better provided by others. Achieving this vision will require the optimization of the Navy infrastructure in order to liquidate the $8 billion savings wedge and provide adequate funding for modernizing and recapitalizing the Fleet, while preserving military readiness and sustaining Quality of Life (QOL) for Navy personnel.

Mission…

Execute a Navy business plan that minimizes the cost of infrastructure and maximizes the resources available for modernization and recapitalization of force structure, while not reducing readiness.

Guiding Principles…

The Navy has committed itself to developing a bold, revolutionary, Navy-wide plan that maintains claimant/regional commander implementation flexibility but does not adversely affect the mission readiness of executing commands. While determining its minimum essential core responsibilities, the Navy will pursue A76 competitive sourcing studies, regionalization, internal and external BPR, privatization, and other alternative initiatives in an integrated effort focused on achieving specified savings. The Navy will utilize the best possible available data in making necessary business decisions.

Critical Success Factors…

This business plan is intended to clearly identify and integrate actions to generate achievable savings sufficient to liquidate the $8 billion cost-reduction wedge. Successful execution will require commitment from all levels of the Navy, and a willingness to make difficult decisions. Additionally, the Navy needs sufficient resources in terms of dollars, time, and people in order to invest in programs and initiatives that will lead to both significant reductions in infrastructure costs and continuing future steady-state savings.

Although competitive sourcing under OMB Circular A76 procedures is an important part of this plan, the use of this process alone will not achieve the necessary savings. This plan mandates the consideration and implementation of a variety of other business-related actions, such as regionalization, BPR, ICC, and privatization.

Instituting a Business Planning Process for Navy Infrastructure…

Reducing costs to provide funds for modernization and recapitalization is not a one-time process. The Navy must develop a dynamic, continuing business-planning process for meeting any future cost-reduction targets and for regularly reviewing (and taking action to reduce) infrastructure costs. This process will then become a tool for implementing the most cost- efficient and

effective Navy infrastructure. The Navy will need to continually refine the plan in order to accommodate fact-of-life changes and continue to minimize infrastructure costs to the maximum extent.

Accountability…

All levels of the Navy must be engaged in the execution of this business plan if the savings target is to be achieved without compromising the readiness of the current Navy or the technological superiority of the Navy of the future. Details regarding the roles and responsibilities of the various components are contained throughout this plan.

2.0 Goals and Strategies…

Goal I Navy infrastructure will attain its optimal corporate structure by FY2001 in order to provide the most cost-efficient and effective support for the operating forces' mission requirements.

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Strategy 1.2 Define core functions
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Strategy 3.4 Determine policy on and approach to studying Joint billets

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Strategy 4.1 Reduce Navy infrastructure through organizational realignment
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Strategy 4.4 Divest non-core functions through privatization
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Strategy 5.4 Employ separate program elements to track non-A76 requirements

Goal I

Navy infrastructure will attain its optimal corporate structure by FY2001 in order to provide the most cost-efficient and effective support for the operating forces' mission requirements.

Policy Statement

The Navy will study all non-core functions for either competitive sourcing or privatization while all core functions will go through a business process reengineering (BPR) to achieve efficiency savings.

This goal and its supporting strategies recognize that the current infrastructure requires a large portion of the Navy total obligation authority (TOA) and must be significantly reduced in order to recapitalize and modernize the operating forces. In order to reduce total infrastructure without cutting program and adversely affecting readiness, Navy infrastructure must be clearly defined and periodically reassessed.

Strategy 1.1 Define Infrastructure Baseline

Description: The Office of the Secretary of Defense (OSD) defines shore infrastructure as "those functionally organized activities that furnish resources for the management of defense forces, facilities from which defense forces operate, centrally organized logistics, non-unit training, personnel support, and medical services." This translates into nine Navy functional infrastructure categories: communications, force management, central logistics, medical, central personnel, training, QOL, acquisition, and installations. Exhibits 6 through 9 display Navy shore infrastructure by function, appropriation, resource sponsor (RS) and claimant using the OSD definition.

Chief of Naval Operations (CNO) N8, is coordinating the assessment of infrastructure under the Navy Integrated Warfare Architecture (IWAR). (See exhibits 10 and 11.) CNO N8 should provide both the IWAR infrastructure definition broken down by functional categories and the associated infrastructure baseline costs in the Future Year Defense Plan (FYDP). The CNO N8 IWAR baseline will be the starting point for measuring the success of the business plan in reducing total infrastructure costs.

Rationale: Without an agreed upon definition of the infrastructure baseline, there will continue to be disagreement as to the amount and source of savings achieved by infrastructure reduction initiatives.

Investment Cost: N/A

Value of Savings: This strategy does not directly produce savings but instead provides the benchmark against which the savings achieved by the other goals and strategies will be measured.

Risk Assessment: Risk in executing this strategy is low as CNO N8 has adequate information from which to establish an infrastructure baseline.

Action: CNO N4/CNO N8
Due: 30 Jan 1999

Strategy 1.2 Define core functions

Description: There is infrastructure associated with virtually every function performed by the Navy. For this infrastructure to be reduced to a minimum level without weakening either readiness or the Navy's ability to respond to future requirements, some determination must be made as to the Navy's "core" functions. While this term is often used in a variety of contexts, in this case core means those functions that the Navy must continue to perform with in-house facilities, in-house personnel, or both. The definition of core functions will ultimately determine which functions can be studied for competitive sourcing (non-core), which functions can be studied for competitive sourcing but with a core capability retained in-house, and which must be performed only by government employees (core). Although the FY1998 Inherently Governmental/Commercial Activities (IG/CA) Inventory was a good first step toward reaching Navy consensus on the definition of core functions, the inventory highlighted that claimants still have widely varying interpretations. (See exhibits 12 through 19.) To maximize the opportunities for savings through competitive sourcing or other initiatives, Navy leadership must define the Navy's core functions. Based on the IWAR infrastructure definition, CNO N8/N4 should chair a senior leadership group to further delineate core and non-core functions.

Rationale: The Navy's FY98 IG/CA billet inventory falls short of the POM 1998 target goal of 80,500 positions to be studied for competitive sourcing. Key to achieving the full 80,500 target is to better define the Navy's core functions thereby increasing the number of non-core functions eligible for study.

Investment Cost: N/A

Value of Savings: N/A

Risk Assessment: Risk inherent in successfully accomplishing this strategy is moderate to high given the failure of previous attempts to achieve consensus on core and non-core function definitions.

Action: CNO N4/CNO N8/CNO N1/ASN (M&RA)/ASN (RD&A)/Claimants
Due: 26 Feb 1999

Strategy 1.3 Reshape the baseline for maximum utility

Description: To reach an optimal corporate structure by FY2001, the results of strategies 1.1 and 1.2 must be used to reshape the infrastructure. Once all Navy core functions have been defined, the minimum essential infrastructure (both personnel and facilities) that is required to support and sustain the Navy, both today and in the future, should be identified. Decisions regarding the retention or elimination of infrastructure must take into consideration possible future requirements for land, structures, hard-to-replace skills, or other unique assets. They should also be carefully coordinated with related studies ongoing in the other Services or other agencies. In addition, other initiatives should be used as reshaping tools. Possible initiatives include, but are not limited to: realignment of billets that require military personnel from non-core infrastructure functions to core functions to allow maximum competitive sourcing; consolidation of acquisition claimants and/or functions; further reduction in the number of installation claimants; elimination of redundant capabilities at all Navy echelons; identification of those infrastructure activities with excess capacity which could be candidates for caretaker status or aggressive out-leasing opportunities.

Rationale: The infrastructure must be reshaped if it is to provide the most cost-efficient and effective support and achieve steady state savings of $1.2 billion annually beginning in FY2004. All infrastructure claimants must be actively engaged in reshaping their segment to ensure that Navy achieves its goal of most cost-efficient and effective support. The variety of tools available to claimants will allow maximum flexibility in approach while still achieving overall cost reductions.

Investment Cost: See strategies under Goals 3 and 4.

Value of Savings: See strategies under Goals 3 and 4

Risk Assessment: Risk in executing this strategy is high given the magnitude of effort required by all claimants and the limited time available.

Action: CNO N8/CNO N4/CNO N1/ASN (M&RA)
Due: 30 Jan 1999

Strategy 1.4 Incorporate metrics into the assessment portion of the Planning, Programming, & Budgeting System (PPBS) (See exhibits 20 through 22.)

Description: The current infrastructure assessment process is unable to clearly articulate the readiness condition, efficiency, and effectiveness of infrastructure in support of the operational forces. This has resulted in arbitrary budget reductions over the years. Navy needs a clear set of infrastructure metrics to validate required funding levels and to demonstrate when insufficient funding has resulted in degraded readiness, efficiency and effectiveness. As we implement various infrastructure reduction initiatives, metrics must be used to benchmark and quantify savings realized or infrastructure claimants will be subject to more arbitrary budget cuts. As a result of implementing the first three strategies under this goal, Navy will be able to identify

what needs to be measured on a recurring basis. Initial recommended metrics are described throughout the Business Plan.

Rationale: Navy infrastructure lacks a standardized, consistent set of metrics that can be used to determine its efficiency and effectiveness as well as to validate adequacy of infrastructure resource levels. CNO N8 should identify existing managerial and/or measurement tools to be used to ensure that infrastructure costs are measured consistently throughout the Navy. CNO N8 and CNO N4 should continue and further expedite efforts to develop a single Activity Based Management (ABM) system for infrastructure cost accounting that will allow Navy leadership to make decisions based on the full cost of infrastructure functions.

Investment Cost: See strategies under Goals 2, 3, and 4.

Value of Savings: See strategies under Goals 2, 3, and 4.

Risk Assessment: Risk in executing this strategy is moderate to high given that various efforts to date have not produced an acceptable single set of infrastructure metrics.

Action: CNO N8/CNO N4/ASN (RD&A)
Due: 30 Jan 1999

Goal II

Allocate the undistributed wedge by claimant to achieve mandated steady state annual savings by FY2003.

The remaining undistributed competition wedge as shown in exhibit 3 should be allocated by claimant and appropriation/Navy Working Capital Fund (NWCF) category through Financial Management and Budget (FMB) controls for the FY2001 NAVCOMPT submit vice in Program Review (PR) 2001 (refer to exhibit 22). This will permit claimant input regarding the appropriate distribution (see exhibit 23).

The process of establishing FMB control is:

- Update FY1998 IG/CA inventory to capture functional transfers, updated policies, attrition, program changes, adjustments of core/non-core billets, etc. This will provide the baseline for calculating the competition portion of the reduction.

- Establish non-A76 baseline to include: a) ALL costs associated with contracting/contractor functions (both hardware and support services type contracts); and b) costs associated with restricted military and civilian government functions (as described in the IG/CA inventory).

- Eliminate duplication with infrastructure reduction and other initiatives. (For example, subtract those positions/dollars associated with OBOS savings.)

- Based on the identified commercial activity positions, average workyear costs, and reasonable savings' assumptions, calculate anticipated A76 competitive sourcing savings. The calculation should be broken out by claimant and funding sources.

- Based on the non-A76 baseline defined above, establish associated projected savings on a fair share basis to augment A76 savings previously calculated. The calculation should be broken out by claimant and funding sources.

- Make adjustments as necessary to address any anomalies in previously distributed wedges.

Action: FMB/CNO N4/Claimants
Due: May 1999

Goal III

Aggressively pursue savings related to studying 64,000 positions identified by claimants in their FY1998 IG/CA inventory and use core/non-core analysis for identifying additional positions and related savings by FY2003.

Policy Statement

Claimants must adhere to the following policies:

1. Pursue regionalization and competitive sourcing concurrently so regionalization process does not delay accomplishment of competitive sourcing studies.

2. In inventory areas that have both competitive sourcing and privatization opportunities (e.g. utility systems, family housing, etc.), direction pursued will be based on a rough order of magnitude analysis that demonstrates which tool (competitive sourcing vs. privatization) yields the greater return in the form of reduced costs or Quality of Life improvement to the Navy.

3. Pursue multi-function and/or regional studies unless analysis demonstrates that local or single function studies will yield greater savings or are more executable.

4. If unable to include in a larger multi-function or regional study or single function study, pursue direct conversion (of 1-10 positions) or request a cost comparison waiver from ASN (I&E) (above 10 positions).

Assumptions:

- Save on average 30% for functions studied.
- The positions coded by the claimants in the FY1998 IG/CA inventory as available for competition are a suitable starting point for the initial number of positions to be studied.
- We will be able to study approximately 25,000 positions in FY1999, 25,000 positions in FY2000, and 14,000 positions in FY2001.
- The savings from A76 competitive sourcing studies persist after the completion of the study.
- Performance Work Statements will be properly scoped to meet mission requirements to obviate scope creep.
- There are no absolute formulas for determining the optimum approach to study of functions under A76 procedures. Each situation must be evaluated on the facts. There are trade-offs between speed and economy. Regionalization will likely result in larger, more complex studies with greater potential for savings; however, regionalization takes longer, and faces the additional obstacles associated with small business concerns and extended execution timelines.

Strategy 3.1 Conduct A76 competitive sourcing studies

Description: The claimants and Joint Staff identified 64,000 positions for review in the FY1998 IG/CA inventory. Apply OMB Circular A76 procedures and study those functions associated with the 64,000 positions.

Rationale: This goal was selected to comply with OSD direction. In addition, the A76 process has an established record of savings and is Congressionally recognized as a process for competition. If aggressively pursued, the A76 competitive sourcing process can be executed to meet significant steady state savings by FY2003.

Investment Cost: Although difficult to quantify, investment costs to achieve this goal include: study costs (contractor support, in-house labor, lost efficiency), SIP-VERA/RIF costs, out-placement assistance costs, Information Technology (IT) investment, appeals, and Federal Employees' Compensation Act (FECA) costs.

Value of Savings: The total inventory as submitted by the claimants includes: Defense Health Program (DHP), National Foreign Intelligence Program (NFIP), and Special Operations Forces (SOF) positions that cannot be counted toward liquidating the Navy's financial wedge. These will be counted toward positions studied, but not toward cost savings. Preliminary savings from A76 competitions are based on studying 53,000 positions (64,000 less DHP, NFIP, and SOF positions) with an estimated 30% savings per position.

Risk Assessment: There are a number of factors that may affect the Navy's ability to accomplish this goal. For example, the competitions conducted under A76 procedures may not yield the projected savings since the magnitude of savings achieved are driven to some extent by the type of functions studied, the size of the population, and the location (local, regional, or national). Additionally, A76 competitions are one of many competing initiatives and Congress/organized labor could impede or stop the process. There are other, non-monetary risks associated with the A76 process. These include:

- Loss of corporate memory
- Difficulty in recruiting and retaining high-quality personnel for the in-house workforce;
- Possible Merit System Protection Board (MSPB) appeals; and
- Difficulties in fully executing planned studies by FY2001.

Tasks:
1. Claimants develop POA&Ms to compete 64,000 positions identified in the FY1998 IG/CA inventory. POA&Ms will identify numbers and positions to be studied by fiscal year through FY2001 to permit steady-state savings to be achieved by FY2003, and will incorporate studies and billets received from ICC. Claimants should consider a recommended phasing plan of 40%, 40%, and 20% respectively for FY1999 through FY2001 for their remaining positions.

Action: Claimants
Due: 22 Dec 1998 (1st 40%); 03 May 1999 (remaining 60%)

2. Submit funding requests for FY1999 competitive sourcing studies to CNO N47/CSSO.
   Action: Claimants
   Due: Jan 1999

3. Obtain CNO N12 concurrence before including military billets in competitive sourcing plans.
   Action: CNO N47/Claimants/CNO N12
   Due: Jan 1999 (1st 40%); May 1999 (remaining 60%)

Strategy 3.2 Facilitate implementation of competitive sourcing studies

Description: CNO N47, in concert with Competitive Sourcing Support Office (CSSO), will provide support to claimants conducting A76 studies.

Rationale: The A76 process is labor intensive, time consuming and costly. To achieve steady state savings by FY2003, claimants need leadership support to proceed aggressively. Reviewing CA study results will allow lessons learned to influence the future study of functions and will improve future savings estimates. By claimants submitting "lessons learned" and "best business practices" to CNO N47, information can be collected centrally and issued as guidance for future studies.

Investment Cost: Recent data and historical data have shown that $2,000 is not sufficient to cover the study cost per position. Cost for accumulating lessons learned is minimal.

Value of Savings: Properly resourcing studies and using best practices will facilitate their execution and attain an earlier return on investment (ROI).

Risk Assessment: There is moderate risk that funds will not be available to implement this strategy. Failure to fund may result in inability to meet steady state savings.

Tasks:
1. Develop/review new funding requirements to improve allocation of support funding for A76 studies.
   Action: CNO N47
   Due: Jan 1999

2. Award consultant support contracts to facilitate claimants' timely execution of POA&Ms.
   Action: CNO N47/CSSO
   Due: Mar 1999

3. Monitor execution, review CA study results, and adjust POA&Ms as appropriate.
   Action: CNO N47/Claimants
   Due: Dec 1999

Strategy 3.3 Expand number of positions available for A76 competitive sourcing study

Description: Increase the number of positions available for A76 study by: a) reassessing the inventory on basis of core/non-core determination, detailed analysis of core, billets requiring military unique knowledge and skill, and sea-shore rotations determination; and, b) by seeking legislative relief to remove certain functions from current legislation that protects them from being studied for competitive sourcing, such as deleting security guards from the same legislation that protects fire fighters from being studied for competitive sourcing. Reassessment may also be required as a result of internal BPRs and other reorganization, regionalization, and privatization actions. (See exhibits 24 through 32.)

Rationale: This strategy increases the potential for savings through the A76 process by increasing the positions studied. Re-coding military billets to account for sea-shore and career progression requirements optimizes use of shore based billets.

Investment Cost: The costs to do further analyses and draft the legislation will be minimal. However, depending on the scope of actions developed by working groups, costs to implement the recommendations will be significant.

Value of Savings: The value of savings is directly dependent on the number of additional positions identified for study and success of legislation.

Risk Assessment: The risk of the internal review process is minimal. The risk of submitting legislation can be significant based on timing and reaction of the other Military Departments, OSD and affected interests groups.

Tasks:
1. Review the FY1998 IG/CA inventory as submitted to OSD, reassess on basis of core/non-core and sea-shore determinations and revise competitive sourcing POA&Ms.
Action: Claimants
Due: May 1999

2. Draft legislative language that provides relief to study additional commercial activities (CA) type functions. Coordinate with other Military Depts and OSD.
Action: CNO N47/Claimants
Due: Mar 1999

3. Develop a database which claimants can use to optimize the use of military billets in geographic areas impacted by sea-shore rotation and career progression requirements.
Action: CNO N12/CNO N47
Due: Jan 1999

4. Determine the number of billets requiring military competencies or needed for career progression or sea-shore rotation.
Action: CNO N12
Due: Jan 1999

Strategy 3.4 Determine policy on and approach to studying Joint billets

Description: There is no procedure for studying Joint billets for which Navy is executive agent as they have not been subject to review previously. Current policy is that Joint billets cannot be studied or reduced without CNO (N1J) and Joint Staff concurrence.

Rationale: This strategy will determine whether and how Joint billets under Navy executive agency may be reviewed.

Investment Cost: Minimal. The time spent developing acceptable procedures up front will reduce the implementation timeline.

Value of Savings: The value of savings is dependent on a favorable agreement.

Risk Assessment: Minimal.

Action: CNO N47/CNO N12/JCS (J1)
Due: Apr 1999

Goal IV

Implement initiatives that complement A76 competitive sourcing efforts to achieve steady state savings by FY2003

Policy Statement

1. Every organization will strive to achieve a most cost efficient and effective organization through A76, business process reengineering and other initiatives.

2. Privatization will be considered for Navy functions where there is no inherent mobilization or readiness requirement.

3. Service and acquisition contracts will incorporate a requirement for contractors to identify cost savings and should provide incentives to contractors for implementing cost savings.

4. Claimants will seek opportunities to reduce infrastructure costs by working cooperatively with other Department of Defense (DoD), Federal and state and local government organizations.

5. No tenant should do what a host should do, no host should do what a complex should do, and no complex should do what can be done by the private sector more cost effectively.

6. Savings in excess of the wedge requirement shall be retained by the respective claimant.

7. Non-personnel savings must be clearly identifiable.

8. The Navy will continue to use regionalization and Installation Claimant Consolidation as enablers to implement cost saving initiatives.

Assumptions:

- The FY1998 IG/CA Inventory identified 64,000 positions as not restricted and therefore eligible to be studied under A76 procedures. Assuming all of these positions ($45,000 average salary) are studied, and 30% savings are achieved, this would still leave a shortfall of approximately $1 billion annually at the end of the FYDP to achieve the wedge. This goal outlines BPR and other actions to make up this shortfall.
- Total costs include study costs, military conversion, and civilian personnel separation costs.
- Positions will be eliminated through non-A76 cost saving initiatives. The resulting personnel and dollar savings can be applied to the annual estimated $1 billion savings requirement.
- This goal addresses a need to reengineer inherently governmental and restricted functions not addressed by A76 competitions. Claimants are encouraged to pursue additional efficiencies. Savings achieved beyond wedge allocation will be retained and reinvested at the claimant level.
- Claimants will conduct various initiatives concurrently to meet the wedge.

- There are no absolute formulas for determining the optimum approach to study functions not subject to A76 competitive sourcing procedures. Each situation must be evaluated on the facts. There are trade-offs between speed and economy. Regionalization will likely result in larger, more complex studies with greater potential for savings; however, regionalization takes longer, and faces the additional obstacles associated with small business concerns and extended execution timelines.
- Future Base Realignment and Closure (BRAC) actions are not considered to be feasible at this time to help liquidate the $8 billion dollar wedge.

Strategy 4.1 Reduce Navy infrastructure through organizational realignment

Description: This strategy includes: standardization of regional structures; acceleration and completion of Base Operating Support (BOS) regionalization and consolidation efforts; review and consolidation of non-BOS claimants; and, evaluation of further reductions in BOS claimants.

Rationale: Regionalization is the consolidation/realignment of functions/positions either geographically or organizationally to streamline and achieve savings through the elimination of duplicative positions. Regionalization and reorganization have been widely used savings approaches within DoN. BPR and/or A76 competitive sourcing studies will be conducted concurrently with regionalization to realize most cost-efficient and effective organizations and maximum savings.

Investment Cost: Costs are expected to range from minimal for command level initiatives to high for initiatives involving regional or geographic reorganizations. Costs will be associated with personnel relocations, separations, and facility alterations.

Value of Savings: Value of savings will vary based on the size and geographic coverage. Anticipated rough order of magnitude steady state savings will range from $210 million to $350 million.

Risk Assessment: Minimal to moderate. Navy has successfully implemented local and national, multi-function reorganizations. Additional reorganizations may negatively impact fleet/warfighter readiness.

Tasks:

1. Develop and implement standard regional BOS structure
   Action: CNO N47/Installation Management Claimants
   Due: FY1999

2. Complete BOS regionalization and consolidation
   Action: FLTCINCs/CNET/CNRF/FSA
   Due: FY2000

3. Review and consolidate non-BOS elements and organizations within regions
   Action: CNO N47/Claimants
   Due: FY2001

4. Evaluate further reduction in BOS claimants
   Action: CNO N46
   Due: FY2000

Strategy 4.2 Establish working groups to review and make recommendations to study consolidations, e.g., training activities, regional maintenance, SYSCOMS, cooperation with other services, other federal agencies (FAA/ATC), functional areas (contracting, business IT, financial)

Description: This strategy recognizes that much of the cost of Navy infrastructure is related to overhead in organizations and seeks to reduce these costs through organizational changes such as reorganization, realignments, consolidations and similar actions, including cooperation with non-Navy organizations.

Rationale: A significant portion of Navy infrastructure costs is devoted to maintaining organization headquarters and support elements. With increased reliance on IT and other information sharing processes, it will be increasingly possible to reduce the size of headquarters and support organizations. Similarly, reductions in the size of the Navy mandate reductions in support organizations.

Investment Cost: The costs to implement studies of Navy infrastructure organization will be minimal; however, dependent on the scope of actions developed by working groups, costs to implement their recommendations could be significant. Accordingly, working groups responsible for studying Navy infrastructure should be tasked to identify estimated investment costs to implement their recommendations as a part of their studies.

Value of Savings: This strategy holds great promise to save significant infrastructure costs, particularly after reductions have been implemented. These costs are particularly important because, inherently, they should involve minimal reduction in program, since they will be taken from organizational overhead.

Risk Assessment: This strategy involves minimal risk since it involves study of organizations. Further, risk to implement study recommendations will also be minimal since there would be considerable review prior to implementation. The risk inherent in this strategy will increase if studies and subsequent actions are delayed, reducing the time available to review and implement options.

Action: Vice Chief of Naval Operations/Under Secretary of the Navy
Due: FY2000

Strategy 4.3 Achieve organizational efficiency through BPR

Description: BPR will be applied to functions and operations both organic (internal) and contractor (external). Any organic function that is coded inherently governmental or otherwise restricted from A76 competitive sourcing studies is a good candidate for BPR. Examples of internal functions and operations for Navy-wide BPR include: afloat/ashore food service; training (Interactive Media Instruction, distance learning); administration (e.g., paperless Navy); security; fire fighting; and, personnel services (e.g., travel administration and Smart Card). Claimants should evaluate remaining in-house functions retained for inherently governmental reasons to ensure that manpower retained is only that necessary to perform required tasking given an organization that has been restructured through other initiatives.

Rationale: BPR applied to internal and external functions and operations is expected to be a primary savings tool. Internal BPR can capture savings from process changes associated with personnel and other funding categories, i.e., facilities, contracting, printing, travel, supplies and equipment. External BPR can identify cost savings through process improvement by contractors and other non-Navy organizations. A course of action to effect these efficiencies is through contractor incentives as a term or condition of all future contracts. Advantages to BPR include: an accepted approach at the command level; can target inherently governmental and restricted positions including military; and, can be extended to contractor support and services. Adjustments to non-A76 saving's targets must be made annually.

Investment Cost: There is currently no data available to estimate investment costs (exploring commercial benchmark to apply to a Navy standard). Claimants are already required to perform these types of reviews on an ongoing basis. It is recognized that the personnel performing these studies may be the same as those performing or overseeing CA studies. Therefore, claimants may need to hire temporary or contractor personnel to complete these reviews.

Value of Savings: The rough order of magnitude range of potential steady state savings for internal BPR is $200 million - $900 million and for external BPR is $600 million to $2 billion. Currently, 79% of SYSCOM funding is obligated to contract for platforms, equipment, support and services. Savings achieved through external BPR must be reprogrammed to modernization and recapitalization to be credited against the wedge.

Risk Assessment: The risk associated with this goal is moderate to high. Examples of savings are few. Issues: a) there is no established process; b) may require significant time to implement and achieve savings; c) requires hard decisions by senior leadership; d) up-front resource investment costs are unknown; e) may invite challenge from organized labor; and, f) may result in political fallout.

Tasks:
1. Establish a Navy Lead to advocate BPR
    Action: CNO N4
    Due: 1 Jan 1999

2. Develop a standard process or template for conducting BPRs
   Action: Claimants/CNO N47
   Due: 1 Feb 1999

3. Identify functions for BPR
   Action: Claimants/CNO N47
   Due: 1 Feb 1999

4. Implement best business practices
   Action: Claimants/CNO N47
   Due: FY2000

5. Obtain CNO N12 concurrence before including military billets in BPR process
   Action: CNO N47/CNO N12/Claimants
   Due: FY1999

Strategy 4.4 Divest non-core functions through privatization

Description: Under current statutes, Family Housing, Bachelor Quarters (BQ's), and Utilities (including telephone systems) can be privatized by transferring government real property in addition to the requirement for service. However, in those cases where there is little or no real property involved with the transfer, any function can be effectively privatized. This is similar to the direct vendor delivery concept. This should be the main thrust of the Navy's effort, as projects that avoid federal real property entanglements are much faster and less management intense than those that do. Examples of candidate functions: Human Resource Service Center, child care, business IT, communication services, service craft, educational institutions, graduate education, recruiting, Family Service Center operations, food service operations, real property maintenance, and NAF operations of MWR functions.

Rationale: Privatization is an option worth considering for those Navy functions where there are no inherent mobilization or readiness requirements or advantages in investing long term capital into land, facilities, equipment, or people. Those functions which should be considered for this sourcing tool should have the following characteristics: the function should be an inherently commercial service or product that is readily available to the general public from many different sources under simple standard commercial terms. Since the Navy will be obtaining the standard commodity that is normally produced for the public, there will be no easy or economical opportunity to tailor the product to military needs. If custom tailoring is required, then competitive sourcing should be considered rather than total privatization.

Investment Cost: The up-front investment costs to implement this strategy are many and varied and are totally site specific. Some of the more common costs include: initial screening studies to determine suitability of conversion; scope of work or service required documentation (e.g., real property disposal or transfers, environment cleanup, National Environmental Policy Act (NEPA) documentation, building code conversions/upgrades, and fair market value appraisals); and, government personnel separation costs. Because of the high cost of federal real property

transfer procedures and the potential for losing significant investment value of capital plant value, those functions heavily into capital requirements of land, facilities, equipment, or highly trained personnel are not good candidates for conversion. Those functions that don't require heavy capital investments are much better candidates for conversion.

Value of Savings: The expected savings are normally obtained over the long term and usually at the expense of other savings initiatives, especially A76 competitive sourcing studies. Savings are heavily dependent upon current and future capital requirements of the function. Generally, investment costs for functions with large capital investment will exceed saving potential. The estimated steady state savings is a range of ± $50 million due to the high risk of this initiative.

Risk Assessment: The risk is dependent upon the variables related to capital investment, such as cost of financing, amount of environmental cleanup required prior to transfer. Requires a Navy-wide or a DoD decision to get out of the business.

Tasks:
1. Identify functions for privatization consideration
   Action: CNO N47/CNO N41/CNO N44/CNO N45/CNO N46/Claimants
   Due: 1 Feb 1999

2. Obtain CNO N12 concurrence before initiating actions affecting military billets
   Action: Claimants/CNO N47/CNO N12
   Due: FY1999

Strategy 4.5 Identify underutilized facilities and land for outlease (e.g., Portsmouth Naval Shipyard (NSY)) and joint use

Description: The first approach to this should involve a future workload forecast for government facilities and an area market survey to determine local needs which could match up with needed but currently unused facility capacity. In order to funnel funds back into the property being outleased, facility care and upkeep services can be provided as in-kind consideration to maintain the condition of the government owned property thus relieving the government of some of these costs. In this case, the higher the capital ownership annual maintenance cost, the more attractive and cost-effective the outlease tool becomes.

Rationale: An example of this tool is the planned Portsmouth NSY, NH outlease project. By use of in-kind maintenance consideration as part of the outleasing or joint use agreement terms, facilities' capacity not currently required for Navy operational needs but anticipated to be needed in future can be maintained at no cost to the Navy. Those functions that have large land, building, or capital equipment maintenance requirements and currently underutilized are the best candidates for this tool.

Investment Cost: The up-front investment costs to implement this tool are the initial study to forecast future government workload facilities requirements and area market surveys to determine local needs which could match up with needed but currently unused facility capacity.

Additional effort is involved also with the development of the real estate leasing terms or agreement. Some physical separation and traffic pattern change items may also be required for security reasons.

Value of Savings: The expected savings are normally obtained through the in-kind maintenance and upkeep care of the property as part of the lease terms. This allows funds to be funneled back into the property being outleased for facility care to maintain the condition of the government owned property, thus relieving the government of some of these costs. The remainder of fees obtained is returned to the U.S. Treasury. For this tool, the higher the capital ownership annual maintenance costs, the more attractive and cost-effective the outlease or joint use tool becomes.

Risk Assessment: The risk is dependent upon the future need to recapture on short notice the facility for sole government use as rapid recovery of the outlease would result in substantial lease termination costs. There is also a risk that continued long term outleasing use might generate future encroachment issues. Depending on the physical layout of the installation, some operational restraints and allowances may be necessary to allow joint occupancy.

Action: CNO N44/Claimants
Due: FY2001

Strategy 4.6 Publicize and market Employee Stock Ownership Plan (ESOP) opportunities (e.g. Auditing, Research, Development, Test and Engineering)

Description: Considerations for ESOP opportunities include the following: First, project identification must start at the local level with the employees who would form the new enterprise. In addition, the chain of command must support the initiative as a commitment is necessary for a set period of time to direct workload to the new corporation and have a limited negotiated type of contract arrangement. Large capital transfers of equipment or facilities should not be included as the new corporation has limited ability to buy out the capital needs. In addition, specialized functions are preferred as after completion of the initial arrangement with the government, the new corporation has to compete in the open market with well established firms which is very hard to do unless in a specialty area.

Rationale: This strategy allows for government divestiture of function, personnel and associated property to the private sector.

Investment Cost: Investment costs vary according to the amount of capital involved and cleanup costs.

Value of savings: Personnel and equipment costs are realized immediately so the value may be high if large numbers of personnel are affected. The government will purchase services from the new corporation for three to five years expecting savings each year. At the end of the contract period services are then competed with the private sector. Competition should create greater savings to the government over time.

Risk assessment: The Federal government has completed one successful ESOP involving Office of Personnel Management (OPM), personnel security functions. No special legislation was required but challenges came from organized labor and Congress. The creation of the OPM ESOP took approximately 18 months.

Action: CNO N46
Due: FY1999

Strategy 4.7 Identify conversion opportunities for Military Sealift Command (MSC) civilian service mariner (CIVMAR) substitution on active, non-combatant Navy ships

Description: The Navy can realize significant cost savings by converting ships and/or converting military billets to MSC CIVMAR operation. Conversions could include non-combatant ships such as counter-drug FF, AOE-6 and AS class platforms. CIVMAR personnel may also be more cost effective in selective Navy ratings including hotel services, administrative, engineering and deck functions.

Rationale: Navy ship conversion to MSC is a proven concept that results in savings without impacting mission readiness. Other benefits include improved sea-shore rotation for selected Navy ratings and flexible operational tempo (OPTEMPO).

Investment Cost: Initial ship conversion costs are high but are offset if military end strength is reduced.

Value of savings: The potential for long term savings is very high. The savings would result from elimination of Navy end strength and reduction of force levels. Even if end-strength is reallocated to other areas rather than being reduced under this initiative, sea-shore rotational opportunities would presumably be improved and infrastructure costs would be significantly reduced.

Risk assessment: This is a proven cost reducing initiative that has low risk of implementation.

Action: CNO N42/MSC
Due: FY2001

Goal V

Support the business plan by centrally funding implementation of competitive sourcing studies and other infrastructure reduction initiatives

Policy Statements

1. Navy infrastructure cost reduction actions contained in this plan are of such an extraordinary and time-critical nature that they cannot be incorporated in routine Navy programming actions. Thus, it is appropriate that the investment costs for these actions be funded from a centrally managed budget under the auspices of CNO (CNO N4/CNO N8).

2. Within available funding, CNO N4/CNO N8 will fund claimants' investment costs, including: support of claimant, regional commander, and installation programs to reduce infrastructure costs; contractor support and other expenses related to studies of functions under the provisions of OMB Circular A76; costs resulting from the need for concurrent government and contractor performance of functions incident to the implementation of contracting out of government functions; costs of separating and transferring government civilian personnel as a result of contracting out functions under A76 procedures; costs to develop A76 and BPR models to expedite the initiative; and, investment costs directly related to non-A76 cost reduction actions**.**

This goal recognizes the need for centralized funding. Specifically, this goal provides a vehicle similar to that used with the Base Realignment and Closure program, whereby the investment costs of future savings are provided to the claimants through a central program. As with any investment in a commercial enterprise, the real value is determined by way of a ROI calculation. With this methodology, the Navy can evaluate and prioritize candidate actions on the basis of projected savings as compared to the up-front investment expense.

The importance of this action is two fold: First, it encourages claimants to pursue infrastructure reductions. Secondly, it preserves funding for critical claimant operating and support costs

In sum, this funding program is an integral component of the overall Navy strategy for the infrastructure reduction outlined in this plan. Central resourcing of this investment commitment will be achieved with CNO N4 serving as both resource sponsor (RS) and program sponsor participating in assessment of claimant requirements and building a POM baseline through FY2005. Source of funds may be a combination of using a portion of first year savings, issuance of marks to claimant budgets to create a pool of investment funds or other sources such as identifying funds in end game.

Strategy 5.1 Develop budget procedures to recognize and accommodate civilian separation costs, overlap of government and contractor costs, and other emergent requirements

Description: This strategy provides a structured program that includes significant cost reduction actions modeled on the successful BRAC Program. The value of the program is that these actions are identified in a discreet program that facilitates tracking, communicates significant actions to interested elements of the Navy and increases the likelihood of success of this plan.

Rationale: The strategy is based on the rationale that significant infrastructure reduction actions involve extraordinary program actions under compressed schedules that prevent claimants from programming for them via PPBS actions. The inclusion of these actions in a discreet program will enhance the status of cost reduction actions, provide a method of tracking the status of actions, and permit the formulation of a budget to fund the costs of the actions. The urgency of reducing Navy infrastructure costs is so great that it is vital that this strategy be adopted.

Investment Cost: Costs may be minimal or considerable dependent on the efforts.

Value of Savings: This strategy does not contribute directly to savings. Instead, it is an enabling process that will contribute to other savings.

Risk Assessment: There is a high risk to the successful implementation of critical claimant cost reduction actions if this strategy is not implemented. Reduction of Navy infrastructure costs is critical to the pursuit of recapitalization of the Navy and maintenance of operational readiness. While it would be possible to accomplish many of the actions identified in this plan, the formulation of a discrete program will greatly enhance the likelihood of the success of Navy cost reduction actions.

Action: FMB/CNO N82/CNO N47
Due: Jan 1999

Strategy 5.2 Reassess how CNO N4's budget is subdivided between consultant support for A76 competitive sourcing studies and other A76 related costs

Description: Currently, CNO N4 support of claimant A76 studies is based on the number of FTE positions announced for study. This rationale for supporting A76 studies does not take into account certain other related costs including: the need for support to claimants, regional commanders and unit commanders in the conduct of studies and related actions; secondary costs of studies such as travel and other administrative support; differences in the complexity of functions studied; and, post-award costs. This strategy acknowledges the need to fund additional costs related to implementation of cost reduction actions.

Rationale: This plan contains a wide range of bold and comprehensive actions in addition to competitive sourcing to reduce Navy infrastructure costs; however, the very innovative nature of these actions entails unprogrammed costs necessary to implement the reductions. As a result, it

is necessary for CNO N4 to expand its support both to other study-related and other costs involved in the implementation of cost related actions.

Investment Cost: The cost of implementing this strategy includes but is not limited to: A76 study support, including contractor support, Temporary Assigned Duties (TAD) expenses, and related support to claimants, regional commanders and installation commanders; personnel severance and transfer costs; costs related to transition of responsibility from government employees to contractor operation; and other contract implementation expenses. The extent of investment costs required to support this strategy will depend on the A76 cost reduction actions proposed by claimants in support of this plan. The cost of a study will not be limited by the arbitrary $2000 per position studied convention but will be based upon claimant requirement submissions and be judged based on actual study cost experience. It is anticipated that an early implementing action for this plan will be for claimants to submit to CNO N4 their funding requirements for FY1999 actions and projected actions for future years. CNO N4's FY1999 budget for A76 studies is $38 million. Cost of implementation of this strategy will not be known until claimants' requirements are known.

Value of Savings: This strategy does not contribute directly to savings. Instead, it is an enabling process that will contribute to other savings.

Risk Assessment: There is a moderate to high risk associated with the failure to implement this strategy because claimants' ability to identify and implement cost reduction actions will be limited by their availability of necessary funds in excess of those provided by CNO N4. In the absence of necessary funding, claimants will not seek actions with high cost reduction potential that involve significant unprogrammed costs; will not be able to conduct A76 and other requisite studies; will be unable to conduct necessary Fleet support functions during the phase-in of contractor operations; and, will have to divert necessary funding from other functions in order to pay mandatory costs of separation of civilian personnel.

Action: CNO N47/Claimants
Due: Feb 1999

Strategy 5.3 Fund non-A76 (BPR, privatization, regionalization, etc.) requirements as upfront investment to facilitate timely implementation of these initiatives

Description: This strategy complements Goal IV and provides for funding of cost reductions other that A76 competitive sourcing actions, including BPR, ICC, regionalization and similar actions.

Rationale: This strategy derives from a recognition that Navy will be unable to address its ambitious infrastructure reduction goals by competitive sourcing alone and that there is great potential for reductions through a wide range of other actions. This strategy is vital to the attainment of the total cost reduction targets established by the Navy.

Investment Cost: Costs of implementation of this strategy is dependent on the non-A76 initiatives advanced by claimants in the pursuit of this plan. While the investments could be significant, they comprise the necessary costs of implementing measures that will contribute to the steady state reduced infrastructure costs.
Value of Savings: This strategy does not contribute directly to savings. Instead, it is an enabling process that will contribute to other savings.

Risk Assessment: Failure to implement this strategy may result in the failure to obtain Navy infrastructure cost reductions outlined in this plan and could significantly adversely impact Navy recapitalization and/or readiness.

Action: CNO N4/CNO N82
Due: Jan 1999 and annually

Strategy 5.4 Employ separate program element(s) (PE) to track non-A76 related investments

Description: A PE exists today to track A76 related investments in this plan. A separate PE is required to also track requirements and expenditures of non-A76 (e.g. BPR) initiative investment requirements and expenditures.

Rationale: The separate PE uniquely identifies funds programmed and budgeted and provides the means to support the metrics designed to track investments in the plan and ROIs (investment vs. savings achieved). Claimants can also report funds they have contributed to the initiative, in addition to that budgeted using the unique PE.

Value of Savings: This strategy doesn't contribute directly to savings, however, it provides an effective means to integrate data collection into the normal budget and POM process.

Risk Assessment: None, however, the risk of providing an inadequately resourced plan is minimized through visibility of financial investment data.

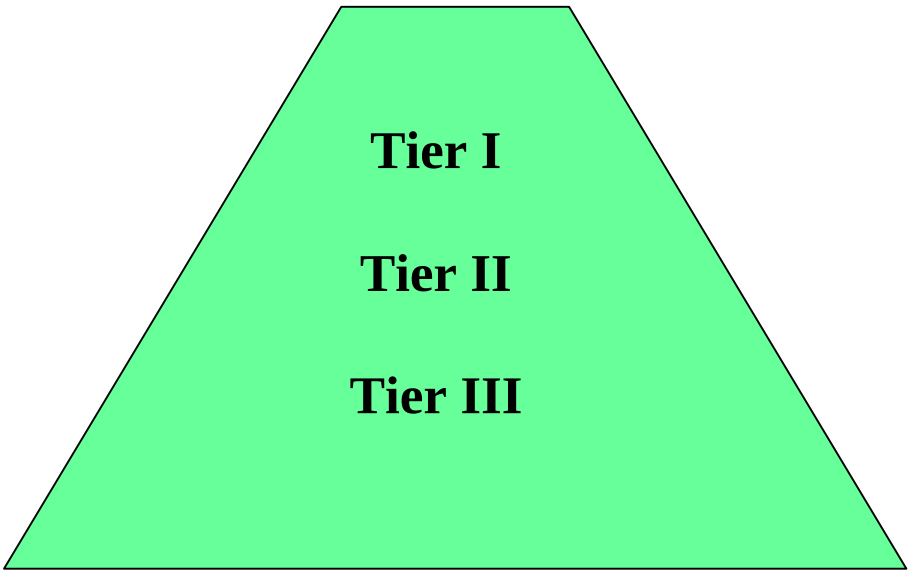
Action: FMB/CNO N82
Due: Jan 1999

3.0 Metrics…

Concept:

The purpose of the metrics is to graphically represent results of infrastructure savings initiatives and their impact on the ability to sustain effective infrastructure support while minimizing the burden on readiness and recapitalization. The metrics are structured in a multi-tiered format to capture the progress, costs, and benefits of the business plan's two pronged approach; assess their net return; and, highlight the progress of reducing that portion of the Navy budget spent on infrastructure.

As overall manger of the business plan, CNO N4 will refine the metrics, ensure appropriate data is gathered, and publish to Navy Leadership in the form of a progress report to prompt necessary decision-making. CNO N4 will also continue to develop additional metrics especially leading indicators to track BPR and other non-A76 initiatives.

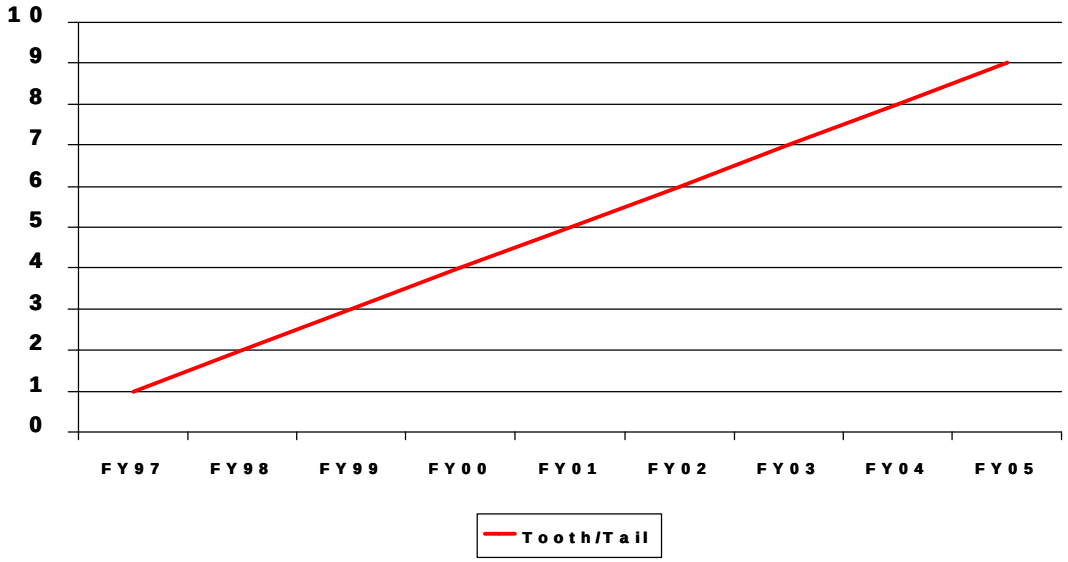


Tier I:

SAMPLE CHART

Tier I - Tooth to Tail Ratio

Measure: The ratio of the cost of the warfighter (the tooth) to the cost of infrastructure (the tail).



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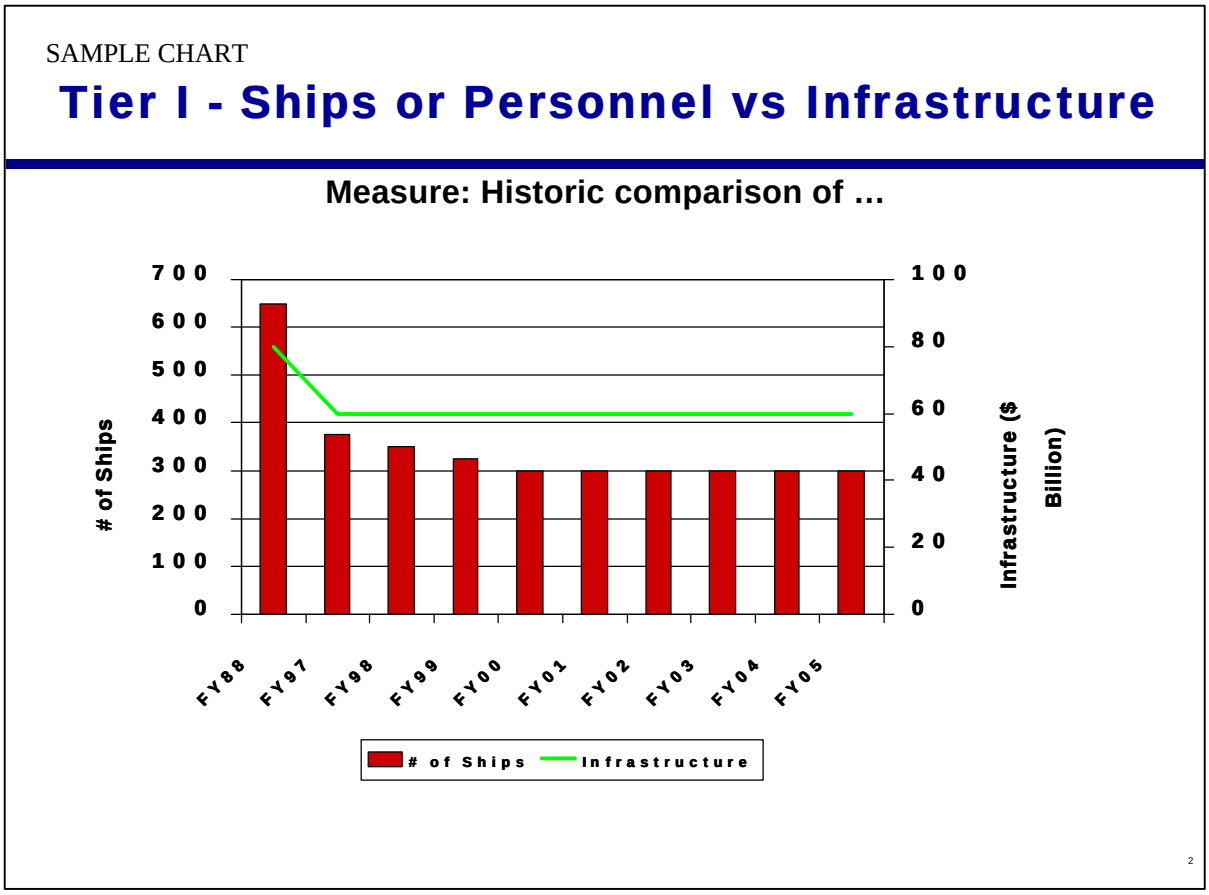
Tooth to Tail Ratio

Description:	The ratio of the cost of the warfighter (the tooth) to the cost of infrastructure (the tail).
Purpose:	Monitor the cost of infrastructure as it relates to Navy TOA
Formula:	(TOA-Cost of Infrastructure)/Cost of Infrastructure
Frequency:	Annually
Assumptions:	• Infrastructure must be defined as per strategy 1.1 • Will need to adjust data to account for inflation and other factors (e.g., TOA reductions) as necessary • Total costs associated with tooth must be defined
Action Lead	CNO N46 with input from CNO N81 and FMB

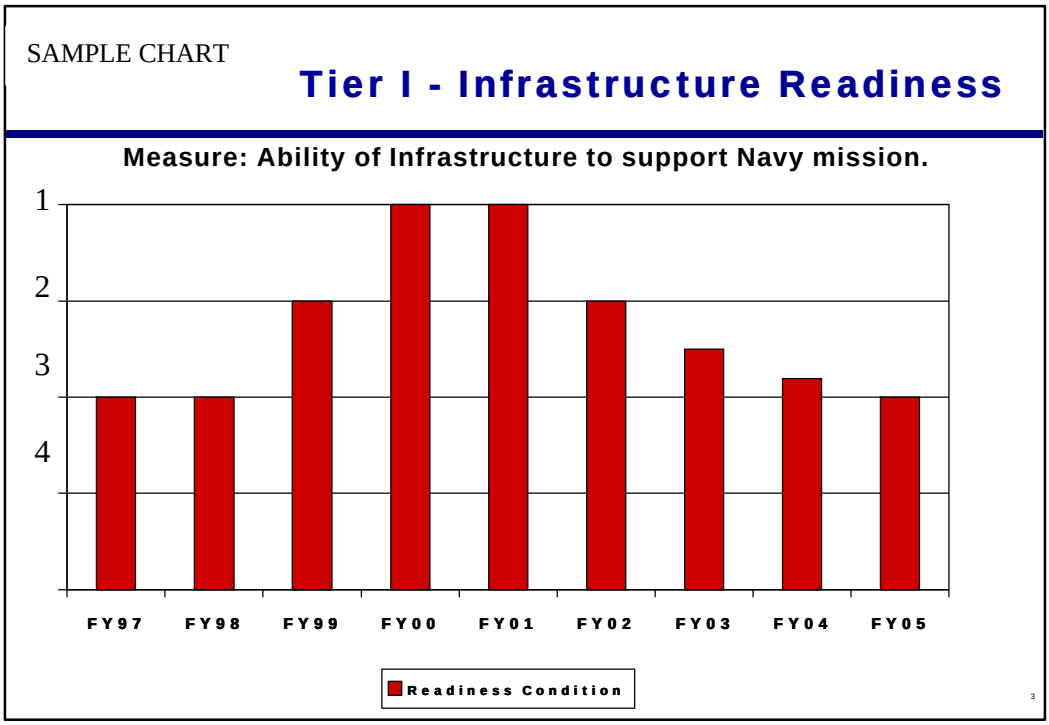
SAMPLE CHART



# of Ships and/or /# of Personnel vs. Infrastructure

Description: Illustrative comparison of the tooth vs. the tail
Purpose: To compare to highpoint baseline
Formula: Not Applicable
Frequency: Annually
Assumptions:
- Infrastructure must be defined as per strategy 1.1
- Include data from the height of Navy build-up in the late ‘80s

Action Lead CNO N46 with input from CNO N81, CNO N1 and FMB



Infrastructure Readiness – ability of infrastructure to support Navy mission

Description: As defined by IWAR

Purpose: While the overarching goal is to reduce the cost of infrastructure to allow greater opportunity to recapitalize the operating forces, we must do so without simply cutting infrastructure budget and limiting the ability to support the operating forces. This metric will be a tool used to find and fix infrastructure problems. The metric will be used to assess readiness, as well as, capacity.

Formula: Not Applicable

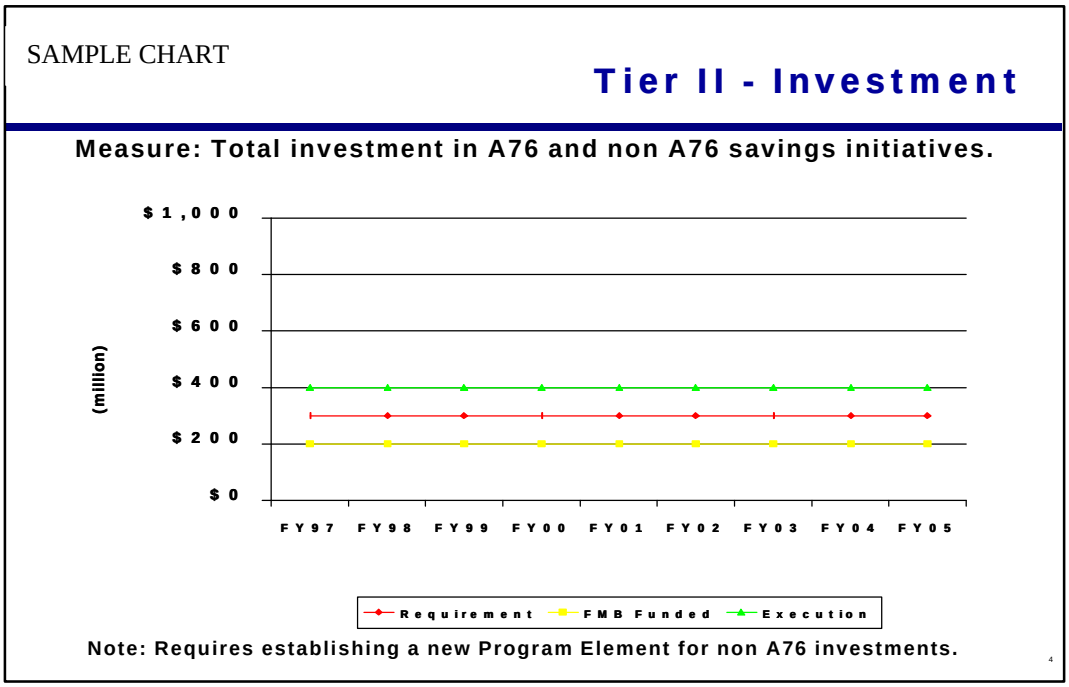
Frequency: Annually

Assumptions:

- Infrastructure must be defined as per strategy 1.1
- Relies on IWAR
- Infrastructure defined per strategy 1.1 will encompass several IWAR teams
- Data collected by function/sub-function, activity, region, and claimant
- It makes sense to report a "Total Navy" measure – Decision Chart

Action Lead CNO N46 gather data and submit report to CNO N47

Tier II:



Investment – total investment in A76 and non-A76 savings initiatives

Description: Up-front costs (centrally funded, in-house, personnel, implementation) necessary to implement initiatives

Purpose:
- To provide visibility to up-front costs
- To calculate ROI

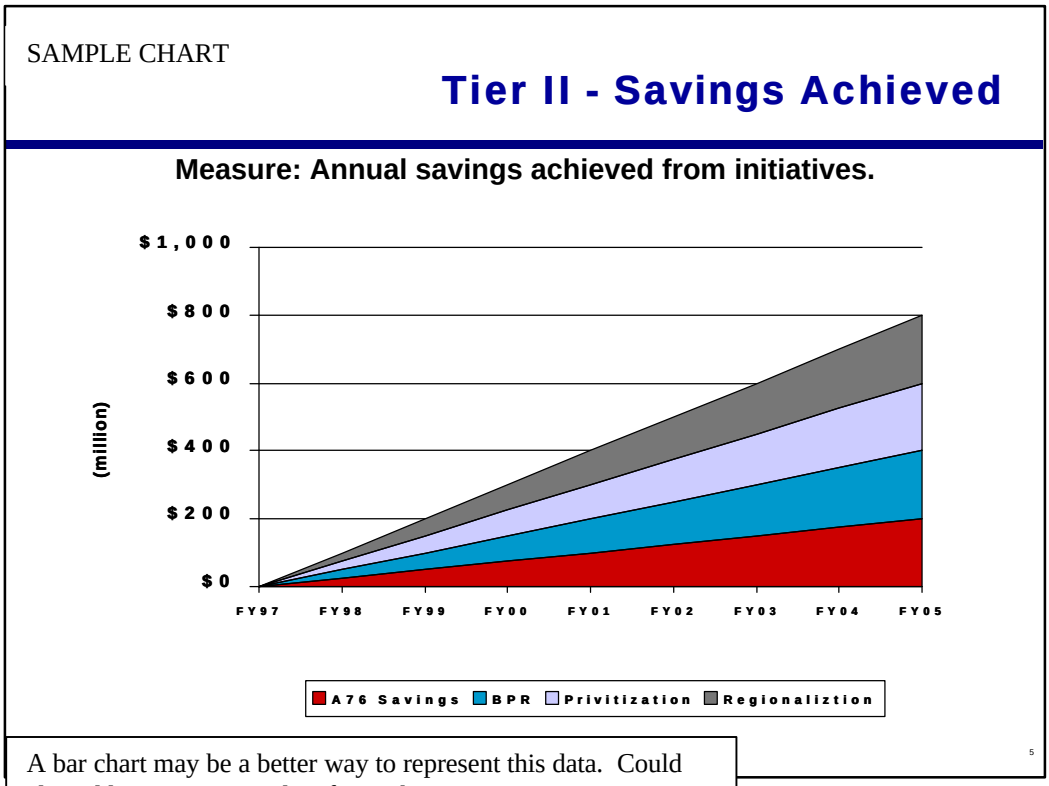
Formula: Not Applicable

Frequency: Annually/Semi-annually

Assumptions:
- Up-front costs need to be fully defined
- Establish a new Program Element for non-A76 investments
- Ability to roll-up A76 and non-A76 investments
- Reported in the year of execution

Action Lead CNO N47 with input from claimants and FMB

SAMPLE CHART



A bar chart may be a better way to represent this data. Could also add target savings data for each initiative.

Savings Achieved – cumulative savings achieved from initiatives

Description: Cumulative measure of savings by A76 and non-A76 initiatives

Purpose:
- To compare actual savings to targeted savings
- To calculate ROI

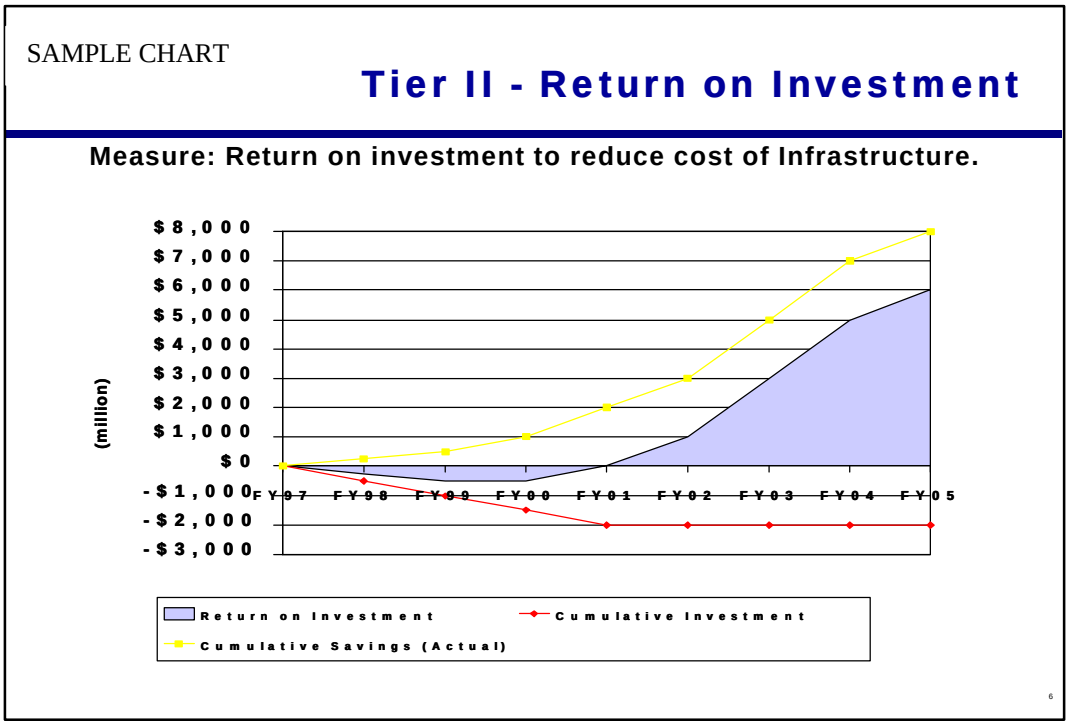
Formula: Not Applicable

Frequency: Annually

Assumptions:
- Ability to roll-up A76 and non-A76 savings

Action Lead CNO N47 with input from claimants and FMB

SAMPLE CHART



Return on Investment – return on investment to reduce infrastructure

Description: It will take several years for savings to exceed the investment (study plus implementation). The chart will show the actual or projected year of "break even"

Purpose: Provide visibility to plan's ability to meet the wedge

Formula: Savings – Investment

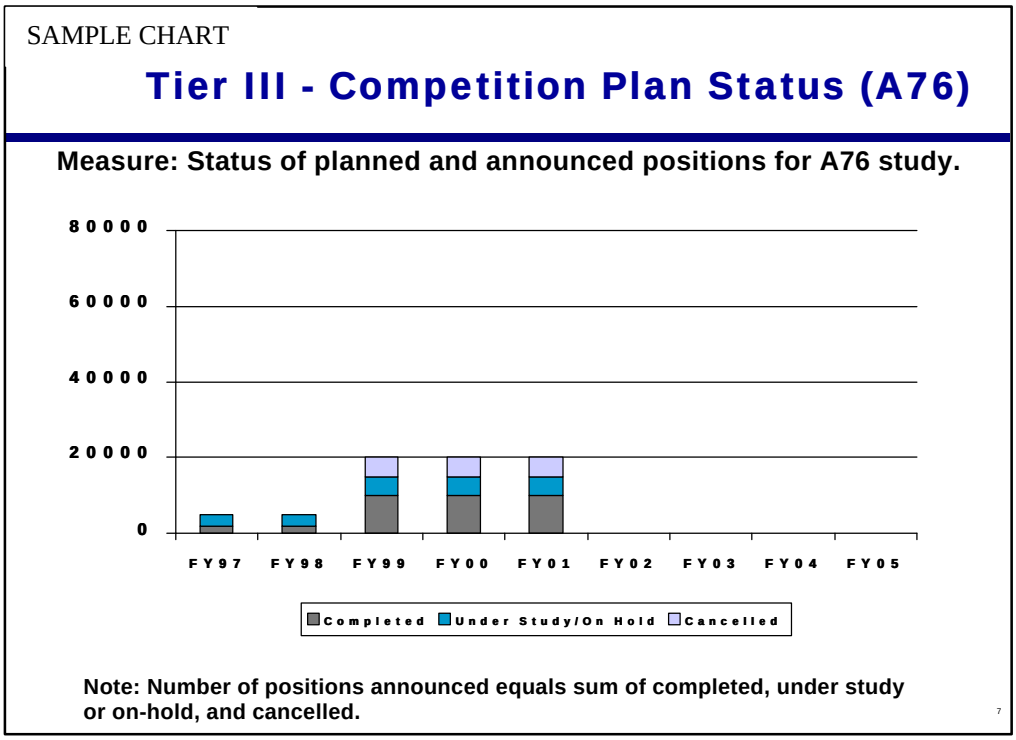
Frequency: Annually

Assumptions:
- Must develop metric for calculating costs relating to non-A76 initiatives
- Ability to calculate total investment and total savings

Action Lead CNO N47 with input from claimants and FMB

Tier III (A76):

SAMPLE CHART



Competition Plan Status – status of planned and announced positions for A76 study

Description: The number of positions completed, under study or on-hold, and cancelled

Purpose: Measure progress in implementing A76 competitive sourcing studies

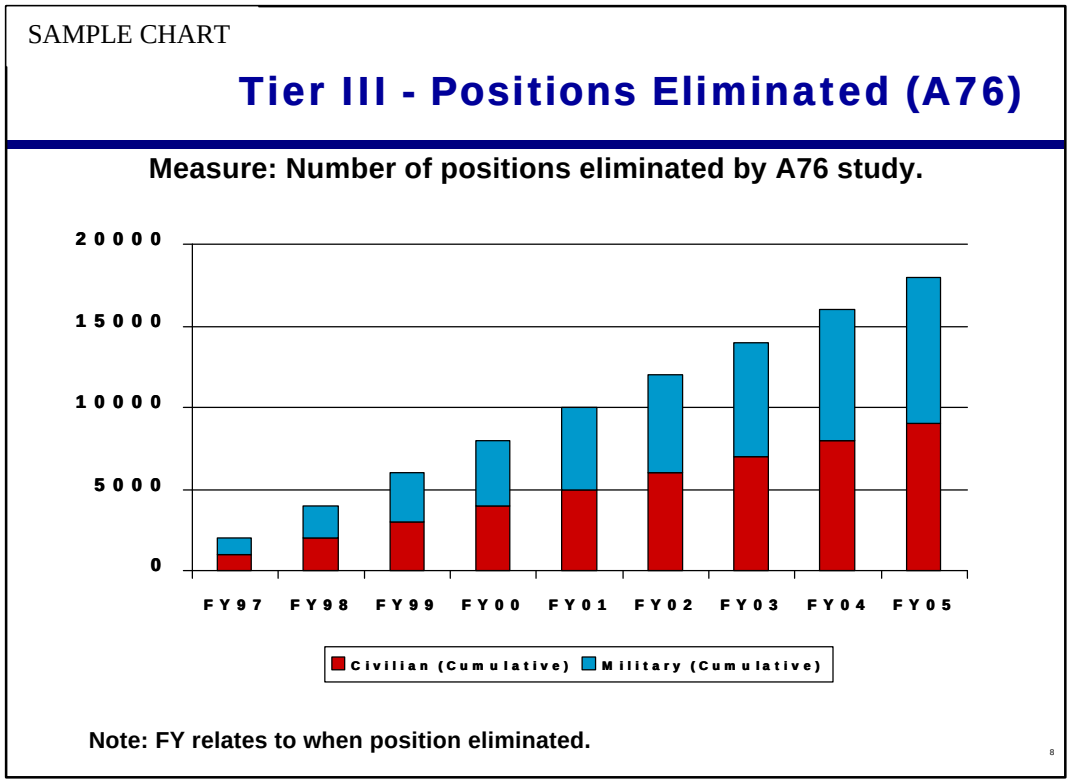
Formula: Not Applicable

Frequency: Quarterly

Assumptions:
- Track the status of announced positions in the FY they were announced. (Number of positions announced equals sum of completed, under study, and cancelled or on-hold)

Action Lead: CNO N47 with input from claimants and from updated CAMIS database. CAMIS database to be updated quarterly (minimum).

SAMPLE CHART



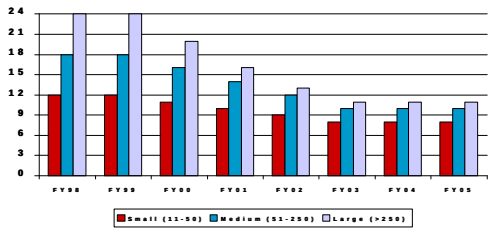
Positions Eliminated – number of positions eliminated by A76 study

Description:	The number of military and civilian positions eliminated by FY.
Purpose:	Measure workforce reduction through the A76 process
Formula:	Not Applicable
Frequency:	Annually
Assumptions:	• Positions are recorded in the year actually eliminated
Action Lead	Claimants report to CNO N47.
	CAMIS database to be updated quarterly (minimum).

SAMPLE CHART

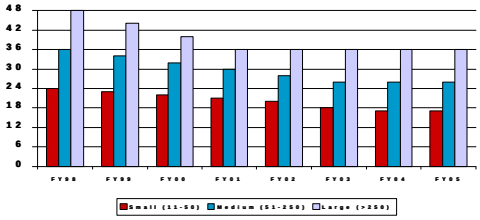
Tier III - Progress Of Studies (A76)

Measure: Months to complete A76 study



Single-Function

Multi-Function



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Progress of Studies – months to complete A76 study

Description: Time elapsed to complete A76 study

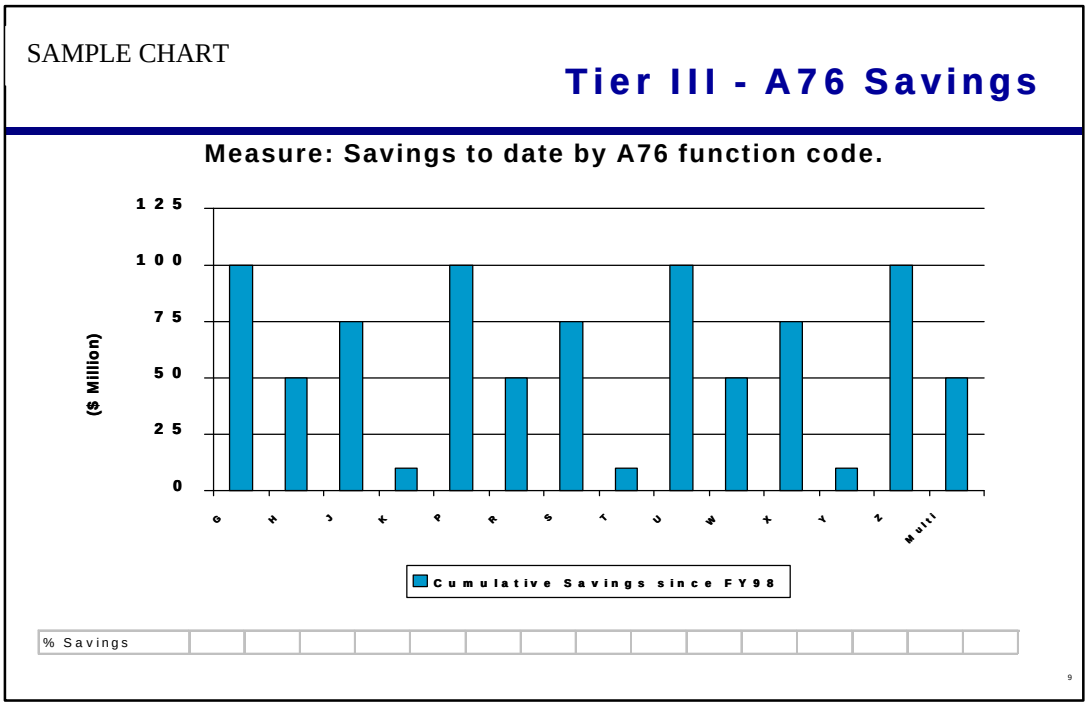
Purpose: Provide historical measure of expediency in pursuing small, medium, and large studies

Formula: Not Applicable

Frequency: Semi-annually

Assumptions:
- Tentative decision date defines a completed A76 study

Action Lead: CNO N47 with input from claimants and from updated CAMIS database. CAMIS database to be updated quarterly (minimum).



A76 Savings – savings to date by A76 function code

Description: The cumulative savings and the percent savings by function code.

Purpose: To illustrate where additional potential savings exist

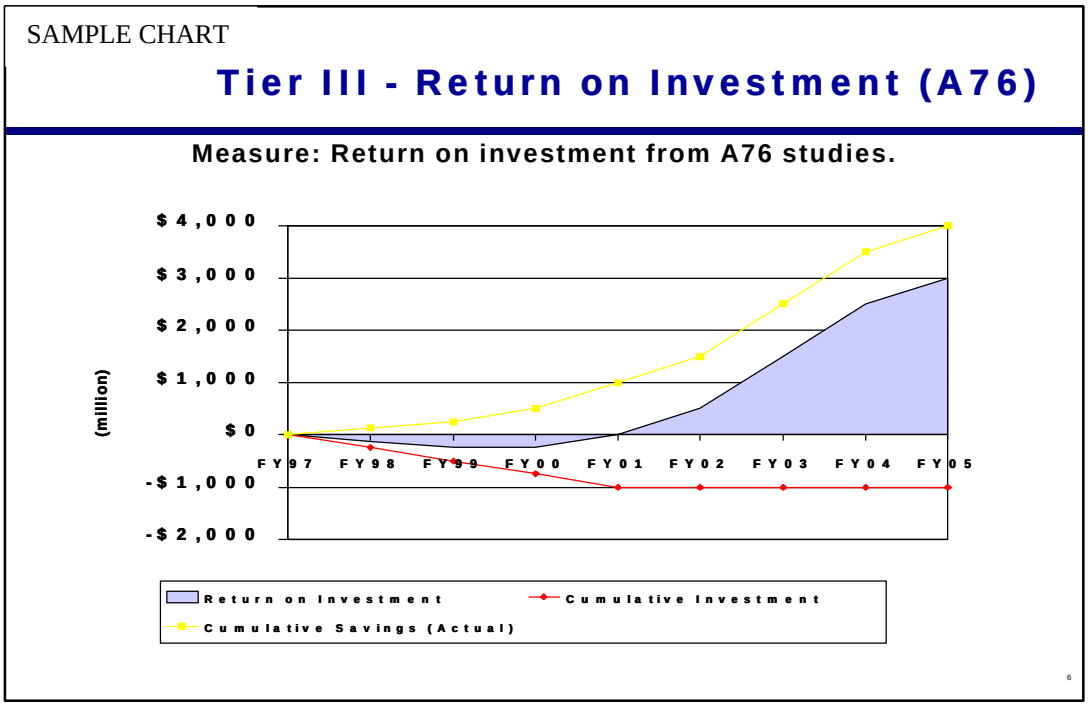
Formula: Not Applicable

Frequency: Annually

Assumptions:
- Data collected by function/sub-function, activity, region, and claimant
- Snap shot – need to check historical data
- Define savings

Action Lead: CNO N47 with input from claimants and from updated CAMIS database. CAMIS database to be updated quarterly (minimum).

SAMPLE CHART



Return on Investment – return on investment from A76 studies

Description: It will take several years for savings to exceed the investment. The chart will show the actual or projected year of "break even" for A76 studies.

Purpose: Provide visibility of A76 studies' ability to meet the wedge.
Backup data to Tier II ROI metric.

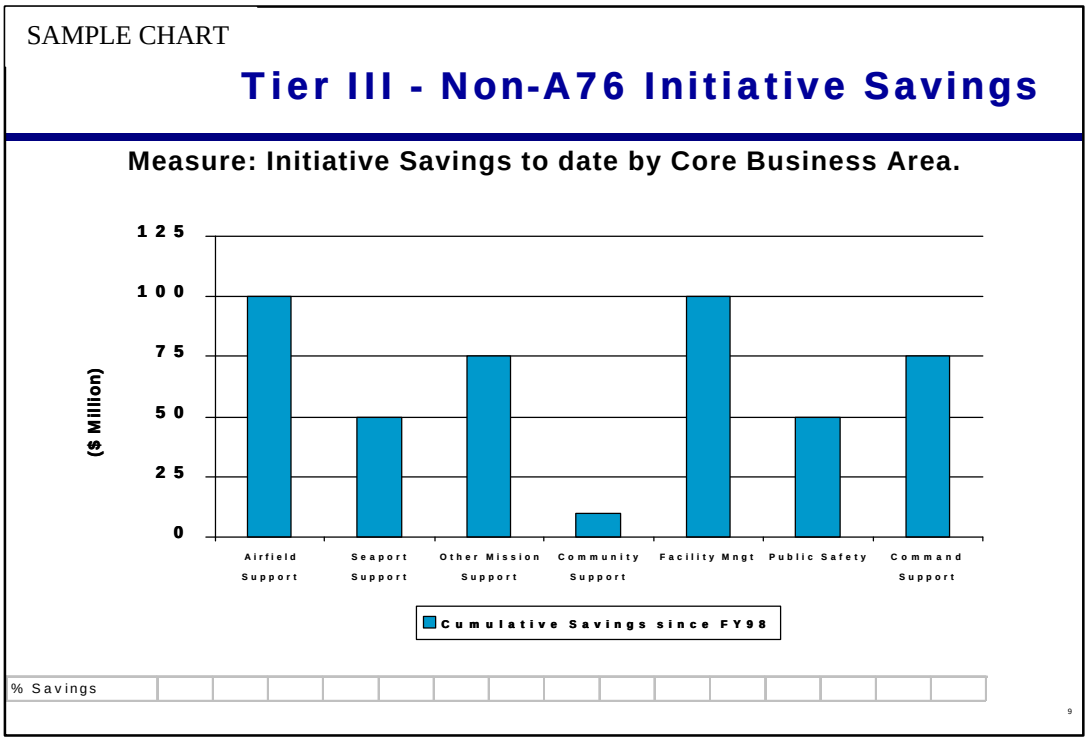
Formula: Savings – Investment

Frequency: Annually

Assumptions:
- Ability to calculate total investment and total savings

Action Lead CNO N47 with input from claimants and FMB.
CAMIS database to be updated quarterly (minimum).

Tier III (non-A76):



Non-A76 Initiative Savings – savings to date by Non-A76 Initiative

Description: The cumulative savings and the percent savings by Core Business Area.

Purpose: To illustrate where additional potential savings exist

Formula: Not Applicable

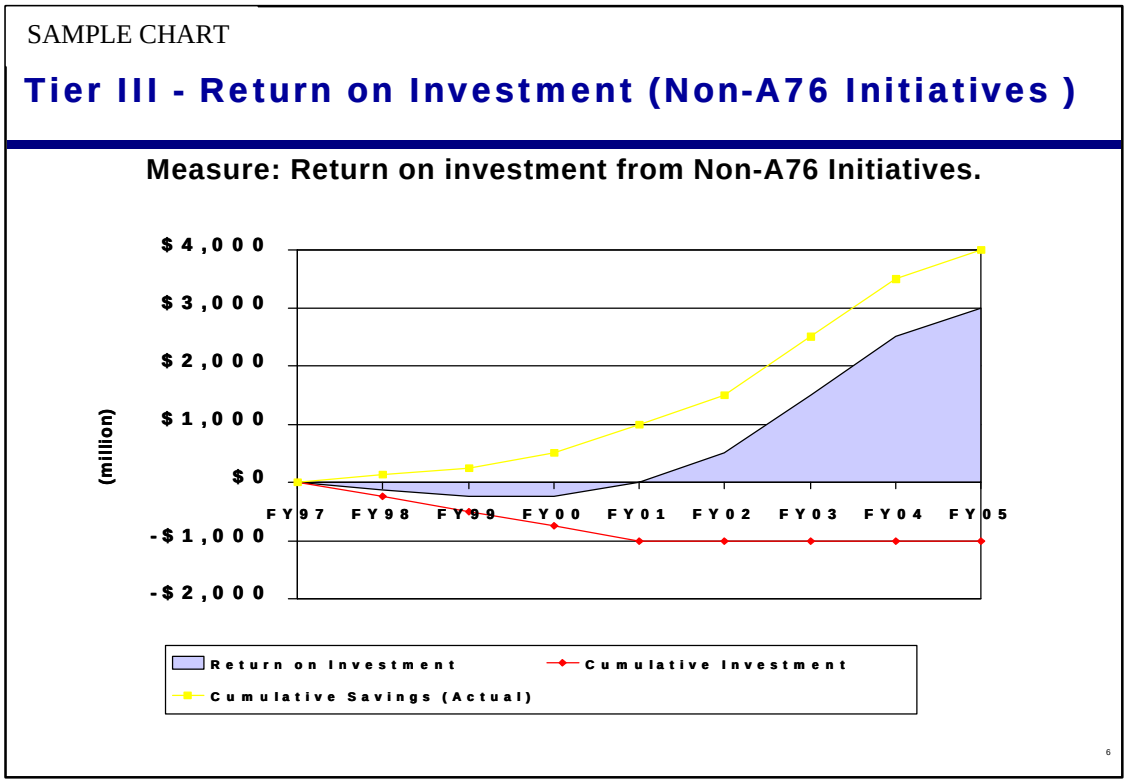
Frequency: Annually

Assumptions:

- Need identical graph for each non-A76 initiative (BPR, Regionalization, Privatization, etc.)
- Will need to map Core Business Area to A76 function codes for tier II calculations
- Data collected by activity, region, and claimant
- Snap shot – need to check historical data
- Need to define savings for each initiative
- Includes more than functions listed in IMAP, see exhibit 6 for the ten functional categories included in the OSD definition of infrastructure.

Action Lead CNO N46 with data provided by claimants and FMB.

SAMPLE CHART



Return on Investment – return on investment from non-A76 initiatives

Description: It will take several years for savings to exceed the investment. The chart will show the actual or projected year of "break even" for each non-A76 initiative.

Purpose: Provide visibility to each non-A76 initiative's ability to meet the wedge. Backup data to Tier II ROI metric.

Formula: Savings – Investment

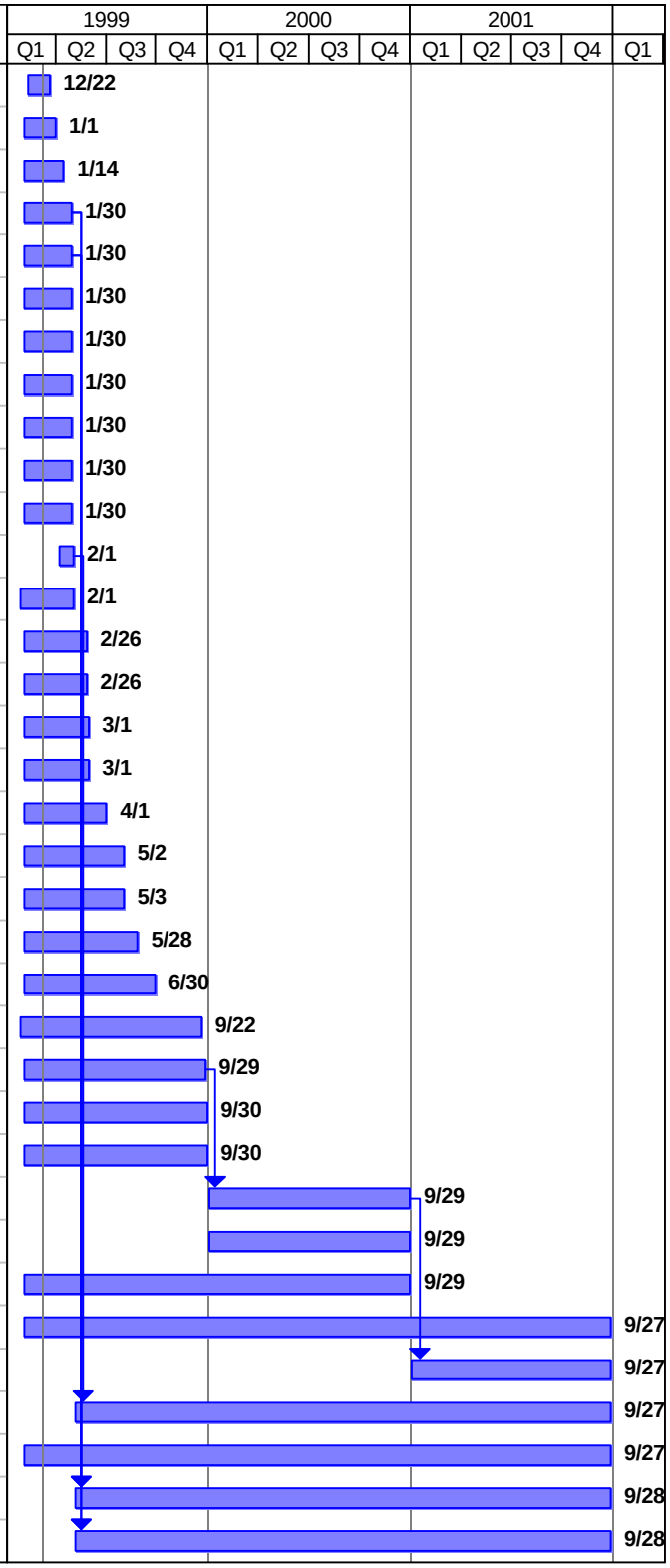
Frequency: Annually

Assumptions:
- Need identical graph for each non-A76 initiative
- Will need to map Core Business Area to A76 function codes for tier II calculations
- Ability to calculate total investment and total savings

Action Lead CNO N46 with data provided by claimants and FMB.

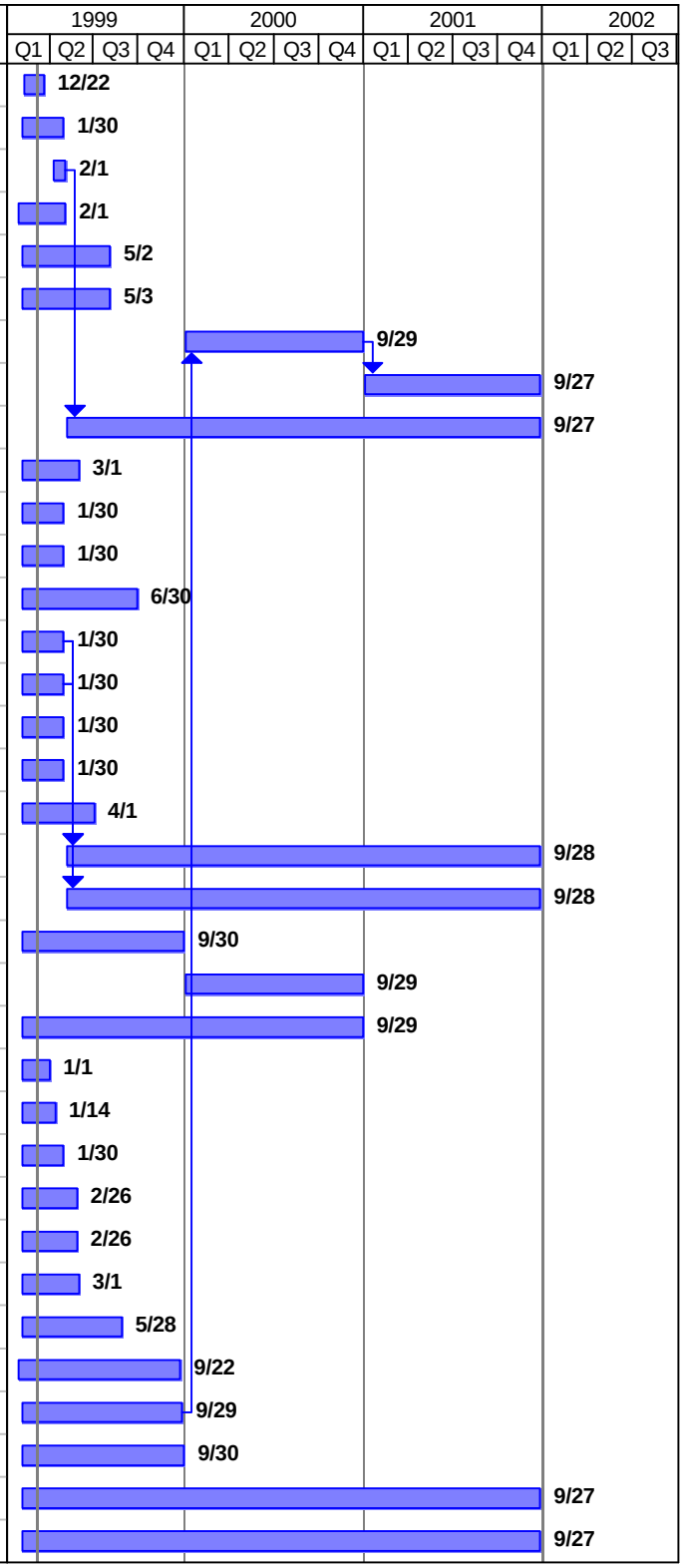
4.0 POA&M (Chronological Order)...

ID	Task Name	Lead Action
5	3.1.1.a POA&Ms to compete 40% of 64K FTE	Claimants
21	4.3.1 Establish a Navy lead to advocate BPR	N47
8	3.1.3.a Obtain CNO N12 concurrence for military billets	N47
1	1.1 Define Infrastructure Baseline	N8
3	1.3 Reshape the baseline for max utility	N8
4	1.4 Incorporate metrics into PPBS	N8
7	3.1.2 Submit funding requests for FY99 CA studies	Claimants
10	3.2.1 Review funding per position for A76 studies	N47
15	3.3.3 Develop database for military billets	N12
28	5.1 Develop budget procedures	FMB
31	5.4 Create program element	FMB
22	4.3.3 Identify functions for BPR review	Claimants
32	4.3.2 Develop standard BPR process	Claimants
2	1.2 Define core functions	N47
29	5.2 Reassess N47's budget allocation	N47
11	3.2.2 Award consultant support contracts	CSSO
14	3.3.2 Seek legislative relief	N47
35	3.4 Policy on Joint billets	N12
13	3.3.1 Reasses IG/CA inventory	Claimants
6	3.1.1.b POA&Ms to compete 60% of 64K FTE	Claimants
9	3.1.3.b Obtain CNO N12 concurrence for military billets	N47
33	2.0 Allocate undistributed wedge	FMB
34	4.4 Divest through privatization	N47
16	4.1.1 Develop standard regional BOS structure	N47
24	4.3.5 Obtain CNO N12 concurrence for military billets	N47
26	4.6 Employee Stock Ownership Plan	N46
17	4.1.2 Complete BOS regionalization	Claimants
19	4.1.4 Reduce BOS claimants further	N46
20	4.2 Study other consolidations	N46
12	3.2.3 Monitor execution & adjust POA&Ms	N47
18	4.1.3 Consolidate non-BOS elements	Claimants
23	4.3.4 Implement best business practices	Claimants
30	5.3 Fund non-A76 initiatives	N47
25	4.5 Identify facilities and land for outlease	N44
27	4.7 Identify conversion for MSC CIVMARs	N42



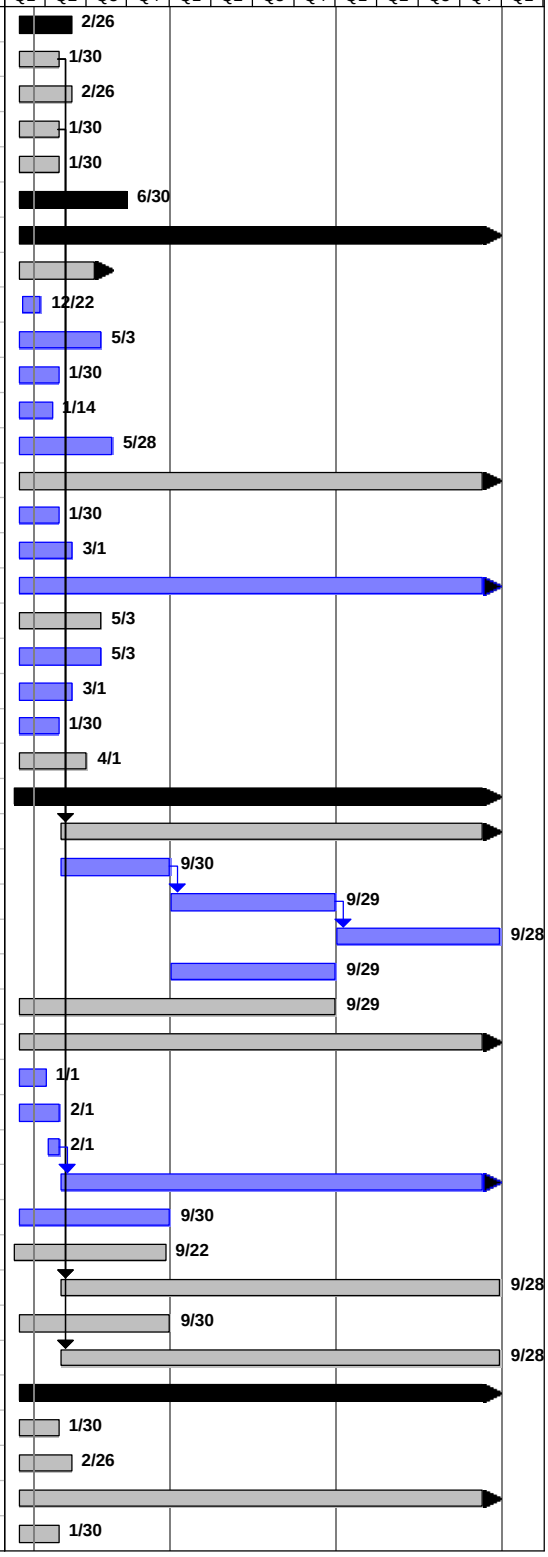
4.0 POA&M (Arranged by Code with Lead Action)…

ID	Lead Action	Task Name
5	Claimants	3.1.1.a POA&Ms to compete 40% of 64K FTE
7	Claimants	3.1.2 Submit funding requests for FY99 CA studies
22	Claimants	4.3.3 Identify functions for BPR review
32	Claimants	4.3.2 Develop standard BPR process
13	Claimants	3.3.1 Reasses IG/CA inventory
6	Claimants	3.1.1.b POA&Ms to compete 60% of 64K FTE
17	Claimants	4.1.2 Complete BOS regionalization
18	Claimants	4.1.3 Consolidate non-BOS elements
23	Claimants	4.3.4 Implement best business practices
11	CSSO	3.2.2 Aw ard consultant support contracts
28	FMB	5.1 Develop budget procedures
31	FMB	5.4 Create program element
33	FMB	2.0 Allocate undistributed w edge
1	N8	1.1 Define Infrastructure Baseline
3	N8	1.3 Reshape the baseline for max utility
4	N8	1.4 Incorporate metrics into PPBS
15	N12	3.3.3 Develop database for military billets
35	N12	3.4 Policy on Joint billets
27	N42	4.7 Identify conversion for MSC CIVMARs
25	N44	4.5 Identify facilities and land for outlease
26	N46	4.6 Employee Stock Ow nership Plan
19	N46	4.1.4 Reduce BOS claimants further
20	N46	4.2 Study other consolidations
21	N47	4.3.1 Establish a Navy lead to advocate BPR
8	N47	3.1.3.a Obtain CNO N12 concurrence for military billets
10	N47	3.2.1 Review funding per position for A76 studies
2	N47	1.2 Define core functions
29	N47	5.2 Reassess N47's budget allocation
14	N47	3.3.2 Seek legislative relief
9	N47	3.1.3.b Obtain CNO N12 concurrence for military billets
34	N47	4.4 Divest through privatization
16	N47	4.1.1 Develop standard regional BOS structure
24	N47	4.3.5 Obtain CNO N12 concurrence for military billets
12	N47	3.2.3 Monitor execution & adjust POA&Ms
30	N47	5.3 Fund non-A76 initiatives



4.0 POA&M (Arranged by Goal)…

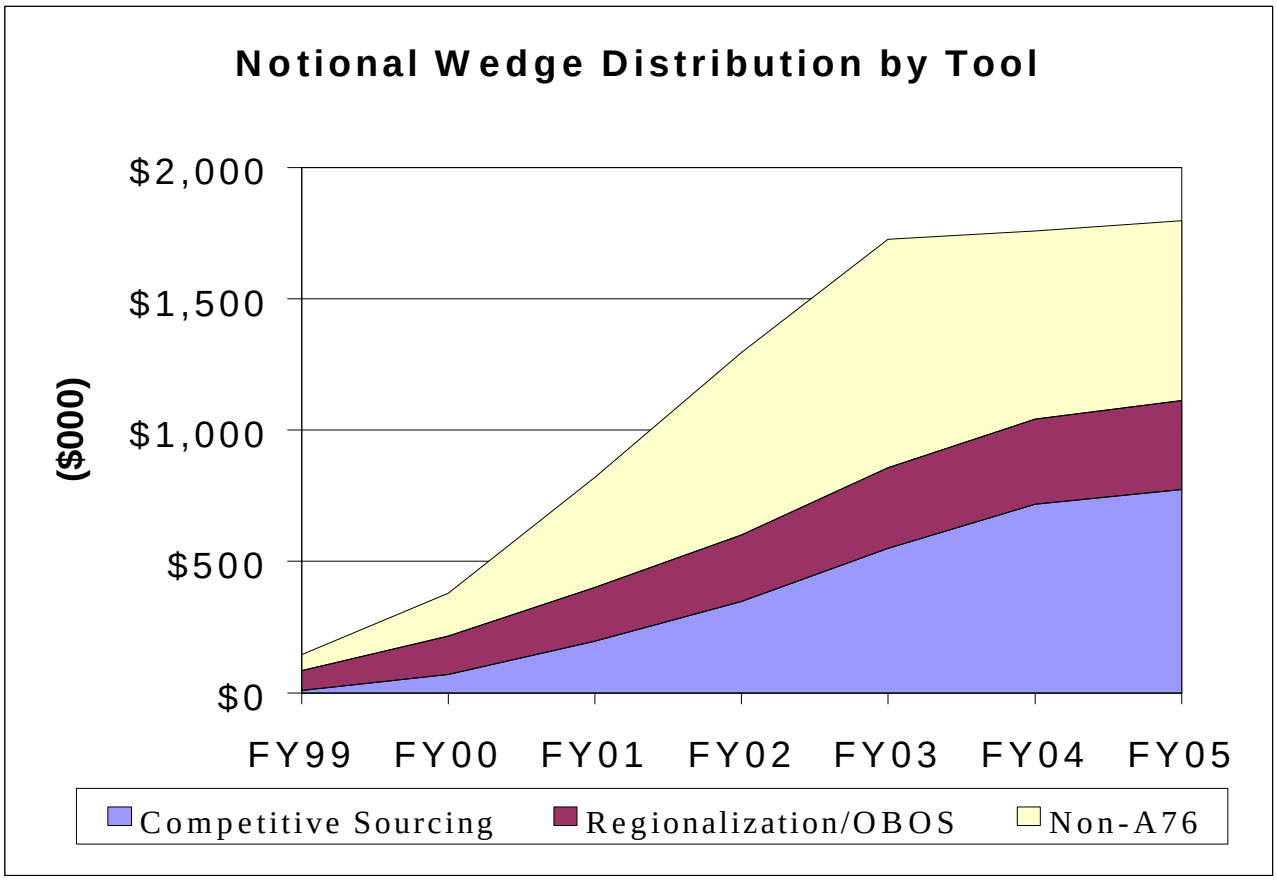
ID	Task Name	Lead Action
1	**Goal #1 - Define Optimal Corporate Structure**	
2	1.1 Define Infrastructure Baseline	N8
3	1.2 Define core functions	N47
4	1.3 Reshape the baseline for max utility	N8
5	1.4 Incorporate metrics into PPBS	N8
6	**Goal #2 - Allocate undistributed wedge by claimant**	FMB
7	**Goal #3 - Pursue A76 Savings**	
8	3.1 Conduct A76 Studies	Claimants
9	POA&Ms to compete 40% of 64K FTE	Claimants
10	POA&Ms to compete 60% of 64K FTE	Claimants
11	Submit funding requests for FY99 CA studies	Claimants
12	Obtain CNO N12 concurrence for military billets	N47
13	Obtain CNO N12 concurrence for military billets	N47
14	3.2 Facilitate A76 study implementation	N47
15	Review funding per position for A76 studies	N47
16	Award consultant support contracts	CSSO
17	Monitor execution & adjust POA&Ms	N47
18	3.3 Expand the number of positions for A76 studies	Claimants
19	Reasses IG/CA inventory	Claimants
20	Seek legislative relief	N47
21	Develop database for military billets	N12
22	3.4 Policy on Joint billets	N12
23	**Goal #4 - Pursue Non-A76 Savings**	
24	4.1 Reduce Navy infrastructure	Claimants
25	Develop standard regional BOS structure	N47
26	Complete BOS regionalization	Claimants
27	Consolidate non-BOS elements	Claimants
28	Reduce BOS claimants further	N46
29	4.2 Study other consolidations	N46
30	4.3 Achieve efficiency through BPR	Claimants
31	Establish a Navy lead to advocate BPR	N47
32	Develop standard BPR process	Claimants
33	Identify functions for BPR review	Claimants
34	Implement best business practices	Claimants
35	Obtain CNO N12 concurrence for military billets	N47
36	4.4 Divest non-core functions through privatization	N47
37	4.5 Identify facilities and land for outlease	N44
38	4.6 Employee Stock Ownership Plan	N46
39	4.7 Identify conversion for MSC CIVMARs	N42
40	**Goal #5 - Centrally Fund Cost Saving Initiatives**	
41	5.1 Develop budget procedures	FMB
42	5.2 Reassess N47's budget allocation	N47
43	5.3 Fund non-A76 initiatives	N47
44	5.4 Create program element	FMB



5.0 Financials...

This is a notional distribution based on the current assumptions and the potential savings attributed to each initiative. The distribution will be adjusted and refined as the goals and strategies are implemented and additional data is gathered. For example, competitive sourcing savings may increase while savings from non-A76 initiatives may decrease depending upon the determination of core functions.

Tools	FY99	FY00	FY01	FY02	FY03	FY04	FY05	Total
Competitive Sourcing	$10	$71	$196	$348	$550	$719	$775	**$2,668**
Regionalization/OBOS	$75	$145	$205	$252	$307	$322	$337	$1,643
Non-A76	$60	$163	$418	$695	$869	$718	$685	$3,608
Total	**$145**	**$379**	**$819**	**$1,295**	**$1,726**	**$1,759**	**$1,797**	***$7,919***
Wedge	$145	$375	$815	$1,291	$1,722	$1,752	$1,793	*$7,896*



Note: Refer to exhibits 4, 5, and 23 for allocations and methodology

6.0 Major Concerns…

The following concerns were identified by the CAWG for the purpose of focusing attention on some potential problems that may impact implementation of this plan. Proactive action by Navy leadership and those responsible for executing this plan is required to minimize adverse impacts. Claimants also need to be cognizant of these issues as they develop and implement their own plans to reduce costs and liquidate the $8 billion wedge.

1. Department of Navy FY1998 IG/CA inventory results fall short of OSD expectations. DoN had previously committed to 85,500 competitions (Navy civilian 70,500, military 10,000; Marine civilian 5,000). Claimant input to the FY1998 inventory reflects 64,000 positions for Navy. Marine Corps reflects 1,000 positions.

2. The A76 competitive sourcing process cannot be used to study a substantial percentage of the Navy's shore establishment (guards, fire fighters, RDT&E).

3. This plan's timeline for accomplishment of competitive sourcing to achieve desired results is very aggressive and the predicted savings from competitive sourcing may be overstated.

4. Navy may find itself in double jeopardy of future funding cuts if it uses other efforts to "liquidate" the wedge.

5. Competitive sourcing may negatively impact our ability to recruit and retain our desired DoN workforce in the future.

6. Navy's current sea-shore rotation requirement impedes competitive sourcing opportunities.

7. It is difficult to predict savings to be realized by Navy through BPR.

8. Realistic metrics to track and monitor the cost efficiency and effectiveness of non-A76 initiatives, such as BPR, will need to be developed.

9. Strong commitment from Navy senior leaders will be required to enable successful implementation and execution of this plan.

10. Failure to achieve the savings will adversely impact Navy programs.

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7.0 Exhibits...

Exhibit 1 Acronyms
Exhibit 2 Glossary of Terms
Exhibit 3 Graph that shows the components of 8 billion dollar wedge
Exhibit 4 OBOS Wedge - Allocations to Claimants
Exhibit 5 Competition Wedge – Allocations to Claimants
Exhibit 6 Infrastructure by Function
Exhibit 7 Infrastructure by Appropriation
Exhibit 8 Infrastructure by Resource Sponsor
Exhibit 9 Infrastructure by Claimant
Exhibit 10 IWAR Timeline
Exhibit 11 IWAR/CPAM Process
Exhibit 12 Related DoD Competitive Sourcing Studies
Exhibit 13 1998 OSD IG/CA Report Summary
Exhibit 14 1998 Function Code Breakout (Civilian & Military)
Exhibit 15 1998 Reason Code Breakout (Civilian & Military)
Exhibit 16 1998 Study Codes (MNOR) by Major Claimant vs. Total Claimant Population
Exhibit 17 1998 IG Codes (GHI) by Major Claimant vs. Total Claimant Population
Exhibit 18 1998 Restricted Codes (JKL) by Major Claimant vs. Total Claimant Population
Exhibit 19 Comparison of 97-98 CA inventory
Exhibit 20 PPBS Overview
Exhibit 21 PPBS Process Change
Exhibit 22 Budget Critical Dates
Exhibit 23 Wedge Allocation Methodologies
Exhibit 24 Comparison of Workforce (FY1988 vs. FY1998)
Exhibit 25 By PATCOB
Exhibit 26 Series with Highest Losses
Exhibit 27 Series with Highest Gains
Exhibit 28 Most Populous Series
Exhibit 29 Navy sea-shore rotation rates for enlisted ratings
Exhibit 30 Navy-wide sea-shore rotation rates
Exhibit 31 Career Progression exclusion criteria
Exhibit 32 Functional Areas Identified for Review
Exhibit 33 Data on BPR and other non-A76 initiatives (to be added in a future update)

Exhibit 1

ACRONYMS

ABM	Activity Based Management
ADP	Automated Data Processing
ASN (I&E)	Assistant Secretary of the Navy (Installation & Environment)
ASN (M&RA)	Assistant Secretary of the Navy (Manpower & Reserve Affairs)
ASN (RD&A)	Assistant Secretary of the Navy (Research, Development & Acquisition)
ATC	Air Traffic Control
BES	Budget Estimate Submission
BOS	Base Operating Support
BPR	Business Process Reengineering
BQ	Bachelor Quarters
BRAC	Base Realignment and Closure
C1	Readiness Category (C1 highest/C4 lowest)
CA	Commercial Activities
CAMIS	Commercial Activities Management Information System
CAWG	Commercial Activities Working Group
CIVMAR	Civilian Service Mariner
CNET	Chief of Naval Education and Training
CNO	Chief of Naval Operations
CNRF	Chief of Naval Reserve Forces
CPAM	CNO Program Analysis Memorandum
CSSO	Competitive Sourcing Support Office
DoD	Department of Defense
DoN	Department of the Navy
DHP	Defense Health Program
DPSB	DoN Program Strategy Board
DRID	Defense Reform Initiative Directive
ESOP	Employee Stock Ownership Plan
FAA	Federal Aviation Administration
FECA	Federal Employee Compensation Act
FMB	Financial Management and Budget
FSA	Field Support Activity
FTE	Full Time Equivalent
FY	Fiscal Year
FYDP	Future Years Defense Program
IG	Inherently Governmental
ICC	Installation Claimant Consolidation
IR3B	Integrated Resources and Requirements Review Board
IT	Information Technology
IMAP	Installation Management Accounting Project
IWAR	Navy Integrated Warfare Architecture
MSPB	Merit System Protection Board

MILPER	Military Personnel
MWR	Morale, Welfare and Recreation
MSC	Military Sealift Command
NEPA	National Environmental Policy Act
NFIP	National Foreign Intelligence Program
NSY	Naval Shipyard
NAVCOMPT	Navy Comptroller
NWCF	Navy Working Capital Fund
NAF	Non Appropriated Funds
O&M,N	Operations and Maintenance, Navy
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
OPNAV	Naval Operations
OPTEMPO	Operational Tempo
OBOS	Other Base Operating Support
OPM	Office of Personnel Management
PATCOB	Professional, Administrative, Technical, Clerical, Other Blue-collar
PE	Program Element
POA&M	Plan of Action and Milestones
POM	Program Objectives Memorandum
PPBS	Planning, Programming and Budgeting System
PR	Program Review
QOL	Quality of Life
RAD	Resource Allocation Display
RDT&E, N	Research, Development, Test and Evaluation, Navy
RIF	Reduction in Force
ROI	Return on Investment
RS	Resource Sponsor
S&T	Science and Technology
SIP	Separation Incentive Pay
SOF	Special Operations Forces
SYSCOMS	System Commands
TAD	Temporary Assigned Duties
TOA	Total Obligation Authority
TPOM	Tentative Program Objectives Memorandum
UNSECNAV	Under Secretary of the Navy
VCNO	Vice Chief of Naval Operations
VERA	Voluntary Early Retirement Authorization

Exhibit 2

GLOSSARY OF TERMS

Business Process Re-engineering: the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in strategically important measures of performance, such as cost, quality, and service. Re-engineering means scrutinizing existing organizations, procedures, and systems and developing new models of organizing and accomplishing work.

Commercial Activity: one which is operated by a Federal executive agency and which provides a product or service which could be obtained from a commercial source. A commercial activity is not an inherently governmental function. A commercial activity also may be part of an organization or a type of work that is separable from other functions or activities and is suitable for performance by the commercial sector.

Competitive Sourcing: competing the cost of in-house government performance versus performance by the commercial sector.

Core Functions: for the purposes of this plan, defined to be those functions, components of functions, or portions of functions that the Navy must perform, wholly or in part, with in-house personnel, facilities or both. For example, maritime combat personnel and assets (the Navy's "tooth") are expected to be defined as 100% core. Parts of many other functions, however, that are critical to the Navy today and in the future (e.g., training and RDT&E) can be and are already substantially outsourced. Core in this context would be those functions or a specified percentage of such functions that the Navy has determined it must maintain as an in-house capability. **[core functions to be identified by a working group]**

Cost Comparison: the process of developing an estimate of the cost of Government performance of a commercial activity and comparing it to the cost to the Government for contract performance of the activity.

Employee Stock Ownership Plan: a form of privatization that transfers a government function to a private company, owned in whole or in part, by employees who formerly performed that function as part of the Federal labor force.

Governmental Function: a function which is so intimately related to the public interest as to mandate performance by Federal employees. These functions include those activities which require either the exercise of discretion in applying Government authority or the use of value judgement in making decisions for the Government.

Infrastructure: those functionally organized activities that furnish resources for the management of defense forces, facilities from which defense forces operate, centrally organized logistics, non-unit training, personnel support and medical services. See exhibit 6 for the ten functional categories included in this OSD definition.

Installation Claimant Consolidation: realignment of Base Operating Support (BOS) resources to reduce the number of major claimants with BOS as a primary mission from 18 to 8 (per NAVOP 015/97). Claimant Consolidation facilitates provision of BOS services to a Navy Concentration Area by transferring host responsibilities to a single major claimant. This allows other claimants to concentrate on their primary or "core" mission.

Navy Integrated Warfare Architectures: provides a foundation for resource decisions by linking the Navy's strategic vision, threat assessment, and programs together. IWAR's, utilizing the integrated product team approach, will identify cost verses capability trade-offs. The IWAR will translate vision into guidance that can be used by the acquisition community to meet the Navy's goals.

OMB Circular No. A-76: establishes Federal policy regarding the performance of commercial activity studies. It lays out a process developed by the Office of Management and Budget that enables Federal agencies to conduct fair and open competitions between in-house personnel and commercial sources for the performance of commercial activities. The 1996 Supplement to the Circular sets forth specific procedures for determining whether it would be more cost efficient and effective to perform commercial activities with in-house government facilities and personnel or through outsourcing to commercial sources.

Outsourcing: obtaining products or services from a commercial contractor or other non-government source. The government sets qualitative and quantitative requirements and contracts for the function to satisfy the requirements.

Privatization: to give up Navy control of a core or non-core function through a transfer, reduction in force or reassignment of personnel associated with the function; divestiture of or never acquiring control of the function; relying on the market to set quality and provide quantity and buying requirements that are commercially available. When real property is used in connection with the function, privatization will include the sale or survey of real property. The decision to privatize a function is determined Navy-wide or through congressionally approved legislation such as family housing or utility services.

Regionalization: the consolidation/realignment of functions/positions either geographically or organizationally to streamline and achieve savings through the elimination of duplicative positions. Brings together the separate BOS service providers in a geographic region and forms a single BOS service provider. OPNAV (N46), the Fleets, Major Claimants, Regional Commanders, and activity Commanding Officers have analyzed Navy Concentration Areas to consolidate or "regionalize" installation management functions. The goal of regionalization is to reduce BOS costs through the elimination of unnecessary management layers, duplicative overhead and redundant functions. Regionalization also facilitates better workforce utilization, development of most efficient organizations, opportunities to outsource across an entire region, standardization of processes and regional planning and prioritization.

Exhibit 3

Components of $8 billion Wedge

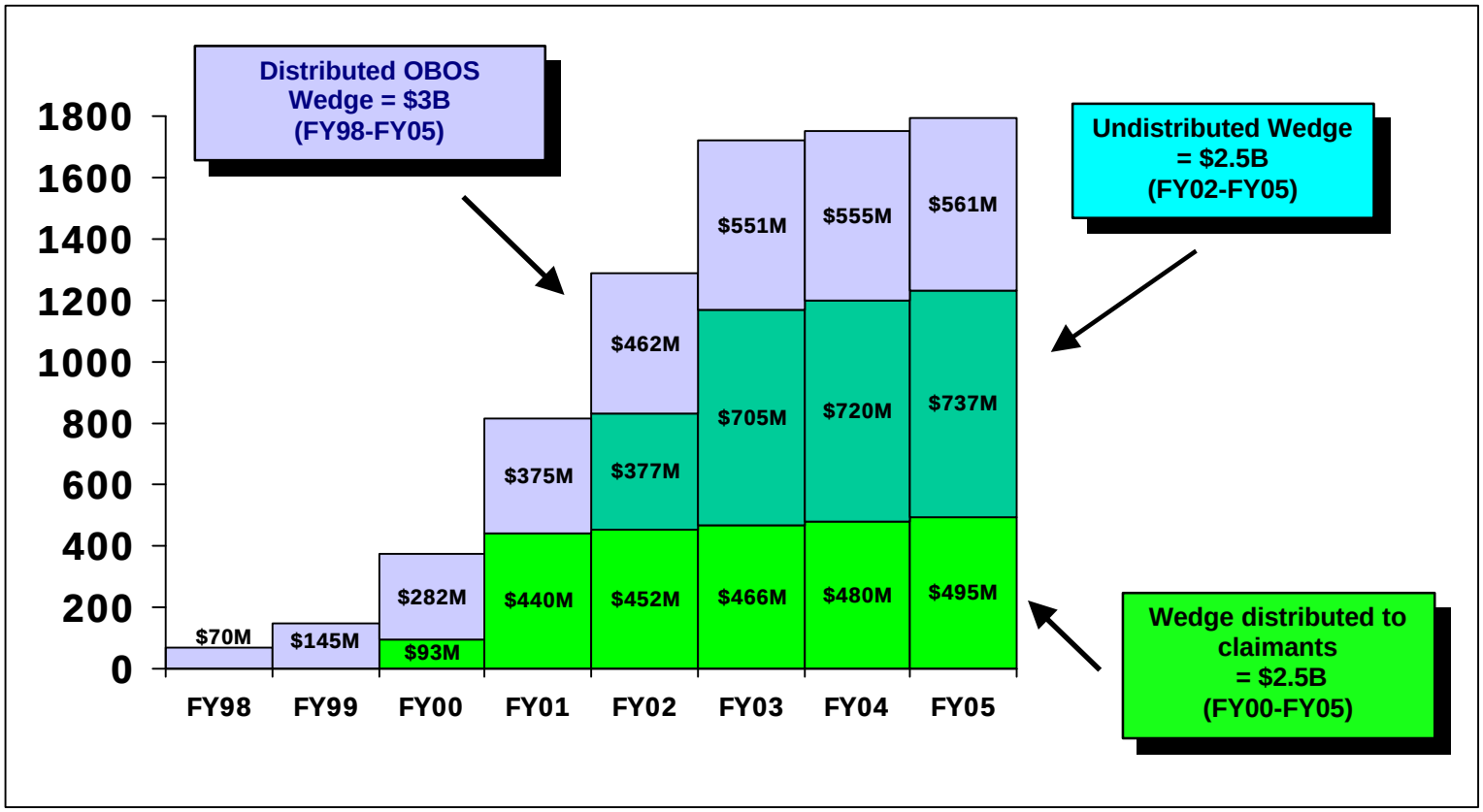


Exhibit 4

Estimated Apportionment of OBOS Efficiency Reductions Initiated in POM-98

(All $ in Millions)

(Does not include Installation Claimant Consolidation shifts)

	Fiscal Year:	**98**	**99**	**00**	**01**	**02**	**03**	**04**	**05**	Total
	Total Reduction:	70	145	282	375	462	551	555	561	3001
Claimant	**Fair Share %**									
N09B/FSA	6%	4.2	8.7	16.9	22.5	27.7	33.1	33.3	33.7	
NAVAIR	4.60%	3.2	6.7	13.0	17.3	21.3	25.3	25.5	25.8	
NAVSUP	1.90%	1.3	2.8	5.4	7.1	8.8	10.5	10.5	10.7	
NAVSEA	6.10%	4.3	8.8	17.2	22.9	28.2	33.6	33.9	34.2	
NAVFAC	5%	3.5	7.3	14.1	18.8	23.1	27.6	27.8	28.1	
SSPO	0.62%	0.4	0.9	1.7	2.3	2.9	3.4	3.4	3.5	
SPAWAR	0.38%	0.3	0.6	1.1	1.4	1.8	2.1	2.1	2.1	
LANTFLT	22.90%	16.0	33.2	64.6	85.9	105.8	126.2	127.1	128.5	
NAVEUR	6.75%	4.7	9.8	19.0	25.3	31.2	37.2	37.5	37.9	
CNET	11.80%	8.3	17.1	33.3	44.3	54.5	65.0	65.5	66.2	
NCTC	3.80%	2.7	5.5	10.7	14.3	17.6	20.9	21.1	21.3	
NAVOCEAN	0.25%	0.2	0.4	0.7	0.9	1.2	1.4	1.4	1.4	
PACFLT	23.80%	16.7	34.5	67.1	89.3	110.0	131.1	132.1	133.5	
NAVRES	6.10%	4.3	8.8	17.2	22.9	28.2	33.6	33.9	34.2	
Total		70	145	282	375	462	551	555	561	3001

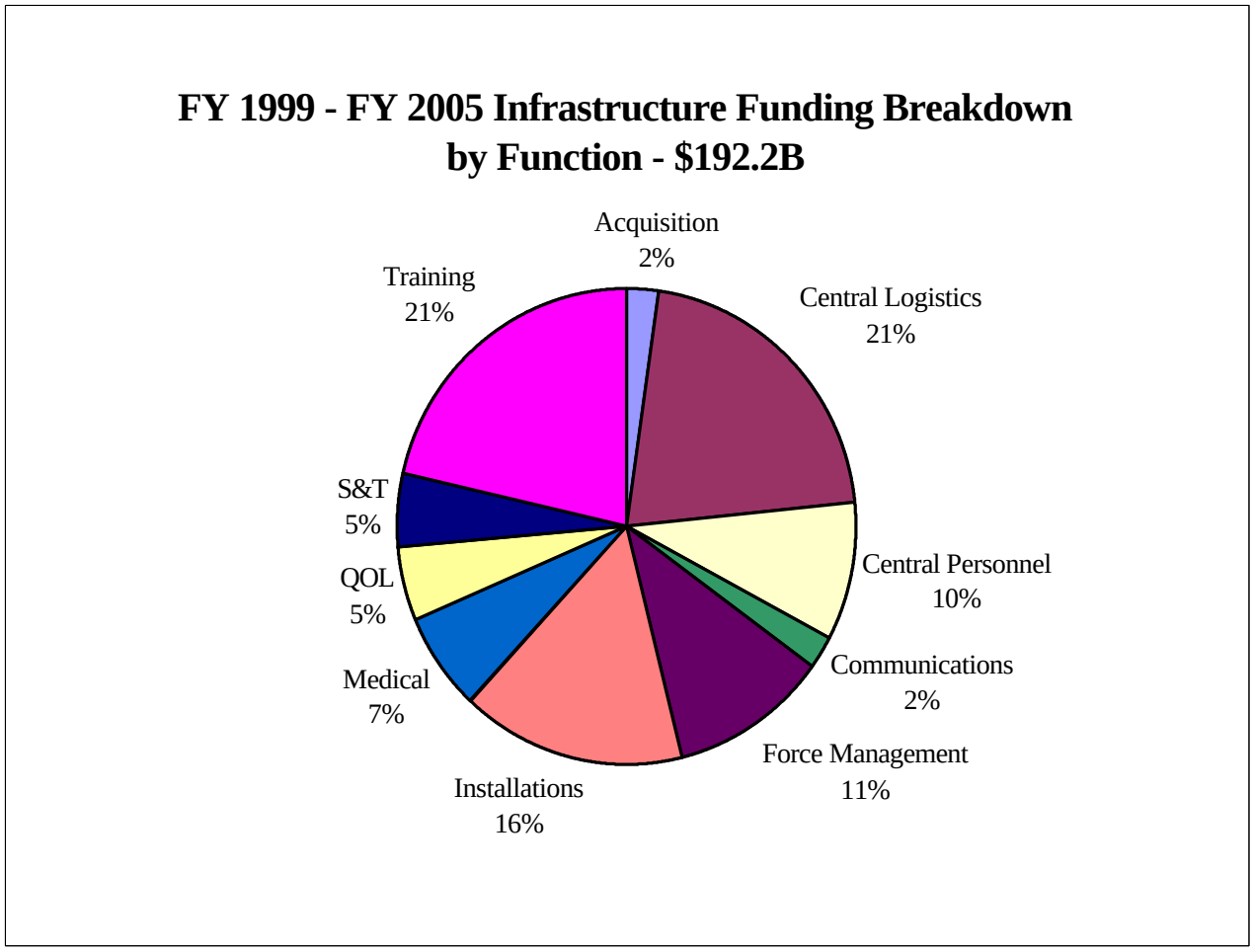
Reduction was from POM-98 unconstrained requirements line.
POM-98 established goal was to reduce annual OBOS expenditures by approximately $500M (steady state) by FY-03.

Exhibit 5

Competition Wedge FY2000/FY2001
Distribution by Claimants ($000's)
(Accounts for Installation Claimant Consolidation Shifts)

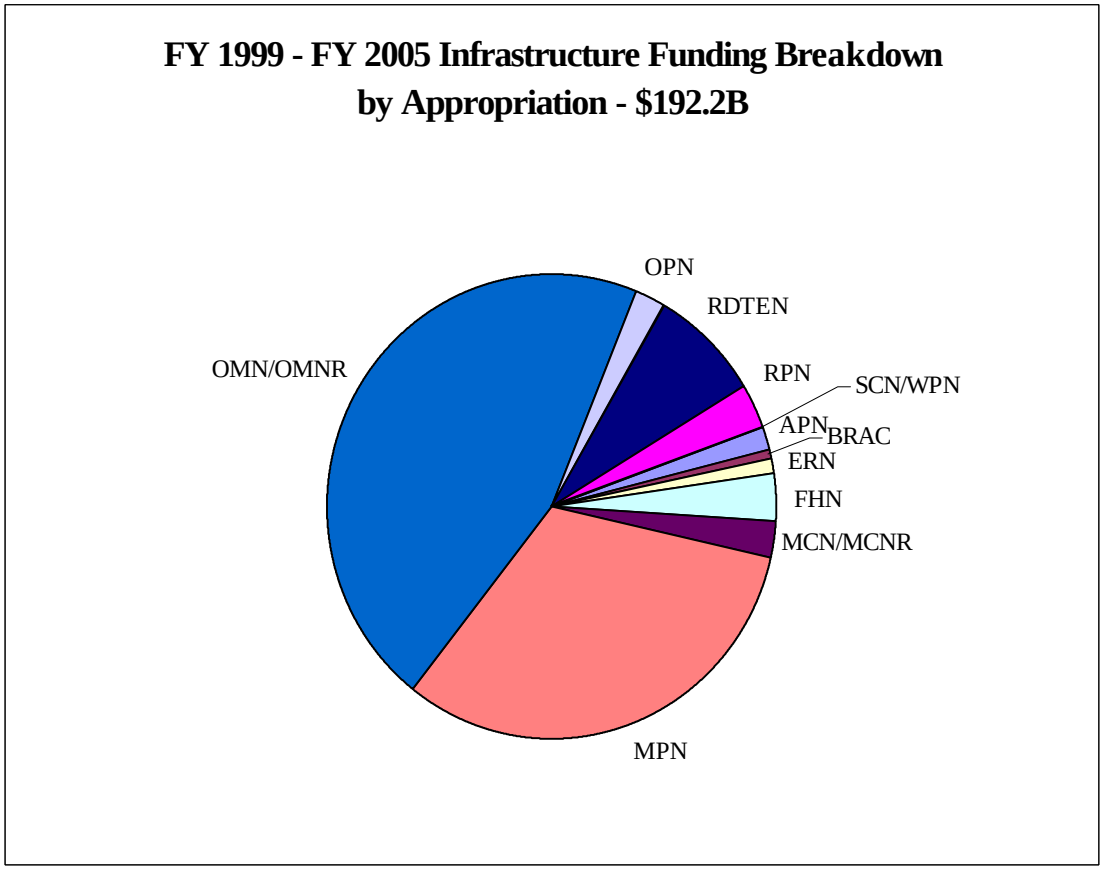
CLAIMANT NO. /NAME		FY00 DIR	FY00 NWCF	FY00 TOTAL	FY01 DIR	FY01 NWCF	FY01 TOTAL
11	FSA	5802		**5802**	24781		**24781**
12	AAUSN			**0**			**0**
14	ONR	611	2491	**3102**	2574	10487	**13061**
19	NAVAIR	1137	12461	**13598**	4550	52463	**57013**
22	BUPER	1861		**1861**	7836		**7836**
23	NAVSUP	800	6125	**6925**	3225	25786	**29011**
24	NAVSEA	5346	19542	**24888**	22143	82275	**104418**
25	NAVFAC	4202	7911	**12113**	17572	33305	**50877**
33	MSC		4358	**4358**	0	18349	**18349**
39	SPAWAR	617	4455	**5072**	2561	18756	**21317**
60	LANTFLT	10517		**10517**	45083		**45083**
61	NAVEUR	910		**910**	3913		**3913**
62	CNET	2734		**2734**	10736		**10736**
63	NCTC	795	977	**1772**	2917	4113	**7030**
65	NMOC	1178		**1178**	4879		**4879**
69	SECGRU	55		**55**	233		**233**
70	PACFLT	11944		**11944**	51536		**51536**
72	RESFOR	1418		**1418**	5916		**5916**
TOTAL DISTRIBUTED		**49927**	**58320**	**108247**	**210455**	**245534**	**455989**

Exhibit 6



Source: RAD 1 FY00/01 BES SEP 98 (constant budget dollars)

Exhibit 7

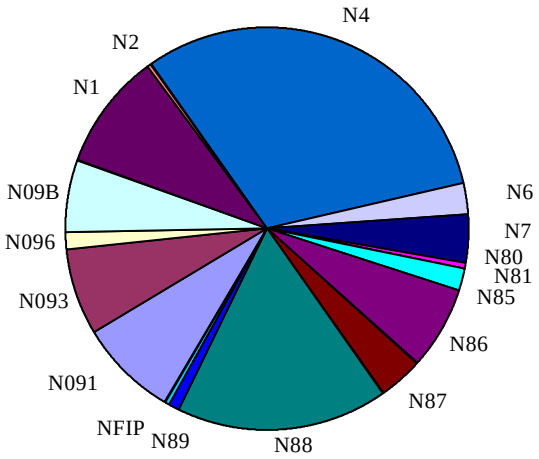


APN	Aircraft Procurement, Navy
BRAC	Base Realignment & Closure
ERN	Environmental Restoration, Navy
FHN	Family Housing, Navy
MCN/MCNR	Military Construction, Navy/Military Construction, Navy Reserve
MPN	Military Personnel, Navy
OMN/OMNR	Operations & Maintenance, Navy/Operations & Maintenance, Navy Reserve
OPN	Other Procurement, Navy
RDTEN	RDT&E, Navy
RPN	Reserve Personnel, Navy
SCN/WPN	Shipbuilding & Conversion, Navy/Weapons Procurement, Navy

Source: RAD 1 FY00/01 BES SEP 98 (constant budget dollars)

Exhibit 8

FY 1999 - FY 2005 Infrastructure Funding Breakdown by Resource Sponsor - $192.2B

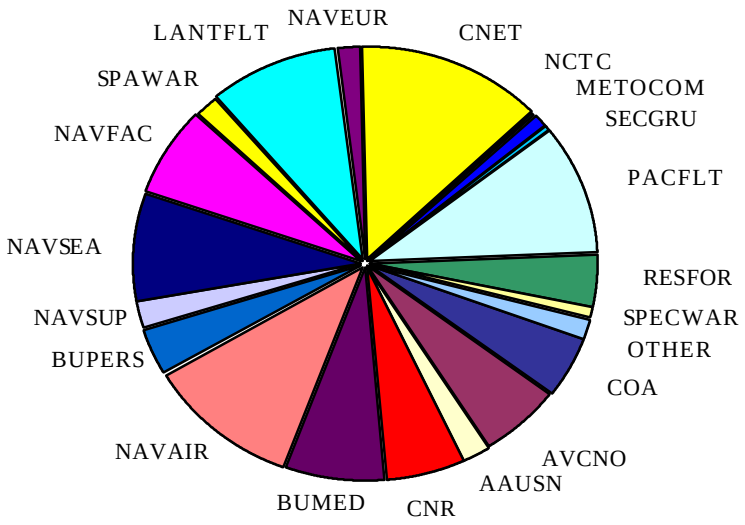


N091	Test & Evaluation & Technology
N093	Medicine/Surgeon General
N096	Oceanographer of the Navy
N09B	AVCNO/FSA
N1	Manpower & Personnel
N2	Naval Intelligence
N4	Logistics
N6	SEW&C4
N7	Training
N80	Programming
N81	Assessment
N82	Fiscal
N85	Expeditionary Warfare
N86	Surface Warfare
N87	Submarine Warfare
N88	Air Warfare
N89	Special Programs
NFIP	Naval Foreign Intelligence Program

Source: RAD 1 FY00/01 BES SEP 98 (constant budget dollars)

Exhibit 9

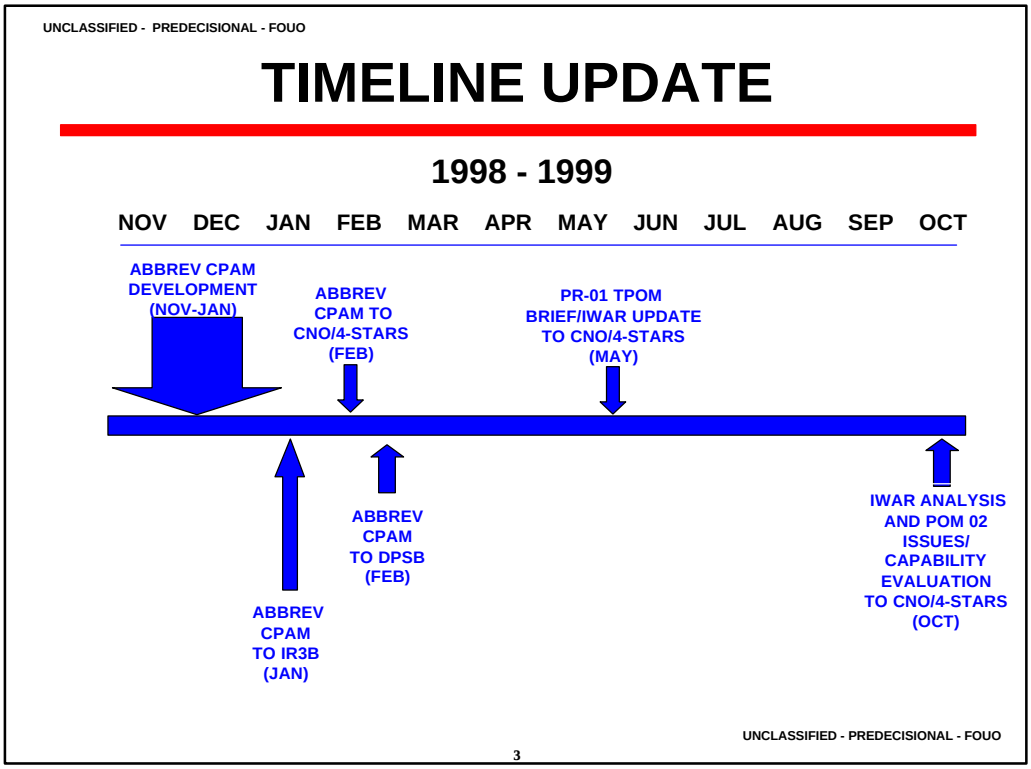
FY 1999 - FY 2005 Infrastructure Funding Breakdown by Claimant - $192.2B



COA	Central Operating Activity
AVCNO	Assistant Vice Chief of Naval Operations/Field Spt Acty
AAUSN	Assistant for Administration, UNSECNAV
CNR	Chief of Naval Research
BUMED	Bureau of Medicine & Surgery
NAVAIR	Naval Air Systems Command
BUPERS	Bureau of Navy Personnel
NAVSUP	Naval Supply Systems Command
NAVSEA	Naval Sea Systems Command
NAVFAC	Naval Facilities Engineering Command
SPAWAR	Space and Naval Warfare Systems Command
LANTFLT	U.S. Atlantic Fleet
NAVEUR	Naval Forces Europe
CNET	Chief of Naval Education and Training
NCTC	Naval Computers & Telecommunications Command
METOCOM	Naval Oceanography Command
SECGRU	Naval Security Group Command
PACFLT	U.S. Pacific Fleet
RESFOR	Naval Reserve Forces
SPECWAR	Naval Special Warfare Command

Source: RAD 1 FY00/01 BES SEP 98 (constant budget dollars)

Exhibit 10



IWAR Critical Dates

A POA&M is being developed and major milestones are as follows:

Oct 1998	CPAM Issue Identification
Oct 1998-Jan 1999	PR-2001 CPAM Development
Jan 1999	Draft CPAM IWAR to IR3B
Feb 1999	Draft Transition PR-2001 CPAM to CNO/4 Stars
Mar 1999	Transition Summary CPAM to DPSB
May 1999	PR-2001 TPOM Brief/IWAR Update to CNO/4 Stars

Exhibit 11

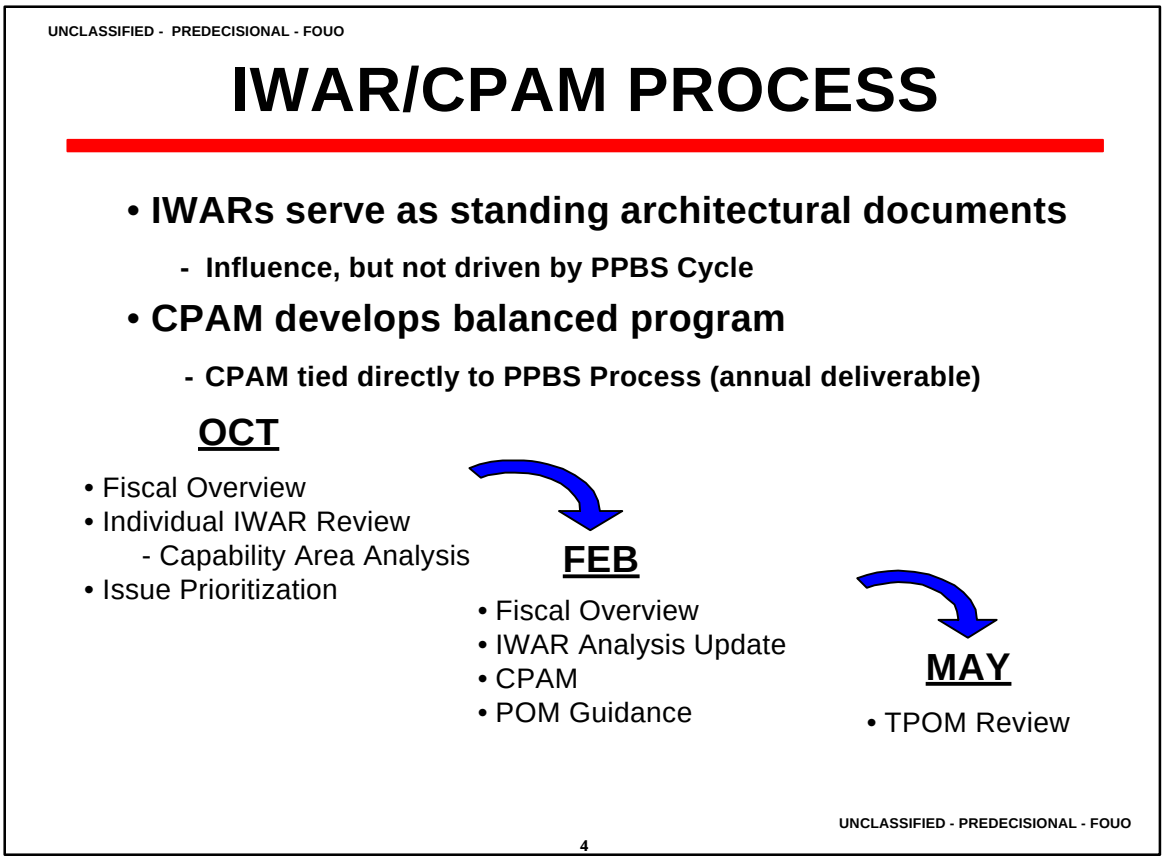

UNCLASSIFIED - PREDECISIONAL - FOUO
IWAR/CPAM PROCESS
• IWARs serve as standing architectural documents
- Influence, but not driven by PPBS Cycle
• CPAM develops balanced program
- CPAM tied directly to PPBS Process (annual deliverable)
OCT
• Fiscal Overview
• Individual IWAR Review
- Capability Area Analysis
• Issue Prioritization
FEB
• Fiscal Overview
• IWAR Analysis Update
• CPAM
• POM Guidance
MAY
• TPOM Review
UNCLASSIFIED - PREDECISIONAL - FOUO
4

Exhibit 12

Related DoD Competitive Sourcing Studies/Functions Under Study (1998 data)

Army Competitive Sourcing	Air Force Competitive Sourcing
Admin Telephone	Aircraft Maintenance & Supply
Aircraft Maintenance	Admin Telephone
Aircraft Refueling	Base Ops Support
Ambulance Service	Civil Engineering
Ammo Demilitarization	General Library
ATCOM T-53 Engine Maint	Grounds Maint
Automated Data / Software Support	Heating Systems
Barracks Ops	Hospital Services
Base Ops / Whole Base Study	Medical Facility Maint
Battle Simulation Ctr	Mil Family Housing Maint
Child Development Center	Software Programming
Clothing Issue Fac	Supply & Transportation
Corporate Info Center	Tech Training Ctr Equip Maint
Custodial Services	Utilities
Dept Public Works	
DOL Storage/Warehousing	
Electrical Distribution Sys	
Emergency 911 Service	
Entomology/Pest Services	
Environmental Engineering Svcs	
Family Housing Ops & Maint	
Family Housing Self-help	
Flight Simulation Ctr	
Flight Simulator Training	
Incinerator Ops	
Intel & Tech Security Acty	
Laundry	
Learning Center	
Library/Academic Research Ctr	
Locksmith	
Mail Delivery	
Materiel Handling Equipment	
Medical Transcription	
Missile Maint (Training)	
Motor Vehicle Maintenance	
Museum Ops	
Non-Standard Item Acquisition	
Obstetrics & Newborn Svcs	
Outpatient Medical Records	
Range Maintenance	
Refuse Collection Ops	
Signal Activities	
Tool Management	

Exhibit 13

NAVY-WIDE IG/CA INVENTORY SUMMARY

(Including Military and Civilian Billets)

	Core Manpower		Non-Core Manpower		
Function Groups	Inherently Governmental (Codes A,C,G,H)	Exempt From Competition (Codes B,D,E,F,I)	Restricted (Cods J,K,L)	Not Restricted (Codes M,N,O,P,Q,R)	Grand Total
Social Services	1182	1570	419	5948	9119
Health Services	3541	20976	1089	6388	31994
Intermediate, Direct or General Repair and Maintenace of Equipment	7686	9929	122	4633	22370
Depot Repair, Maintenance, Modification, Conversion or Overhaul of Equipment	1529	14933	9371	1983	27816
Base Maintenance/ Multifunction	202	44		55	301
Research, Development, Test, and Evaluation	22086	2969	734	2795	28584
Installation Services	4088	6748	10117	16424	37377
Other Non Manufacturing Operations	12734	8571	915	15692	37912
Education and Training	18570	6008	32	1714	26324
Automatic Data Processing		1150	159	5974	7283
Products, Manufactured and Fabricated In-House	117	462	9	106	694
Other Selected Functions	264269	13728	2569	16800	297366
Maintenance, Repair, Alteration, and Minor Construction of Real Property	3	765	321	6411	7500
Grand Total	336007	87853	25857	84923	534640

Source: FY1998 IG/CA Inventory

Exhibit 14

FUNCTION CODE BREAKOUT
(MILITARY & CIVILIAN)

FUNCTION CODE	DESCRIPTION		MILITARY	CIVILIAN	TOTAL
G	Social Services				
G000A	Management		44	125	169
G000B	Management Support		30	105	135
G000C	ADP Support		3	13	16
G000D	Administrative Support		54	244	298
G001	Care of Remains of Deceased Personnel & Funeral Services		21	7	28
G008	Commissary Store Operation		8	0	8
G010	Recreational Library Services		2	68	70
G011	Morale, Welfare, and Recreation Services		352	2168	2520
G012	Community Services		11	101	112
G900	Chaplain Activities and Support Services		794	10	804
G901	Housing Administrative Services		1668	881	2549
G904	Family Services		96	1991	2087
G999	Other Social Services		30	293	323
		G Total	3113	6006	9119
H	Health Services				
H000A	Management		385	61	446
H000B	Management Support		438	171	609
H000C	ADP Support		11	57	68
H000D	Administrative Support		734	1630	2364
H101	Hospital Care		4199	337	4536
H102	Surgical Care		2108	135	2243
H105	Nutritional Care		131	201	332
H106	Pathology Services		1397	268	1665
H107	Radiology Services		871	113	984
H108	Pharmacy Services		850	170	1020
H109	Physical Therapy		308	15	323
H110	Materiel Services		224	421	645
H111	Orthopedic Services		203	4	207
H112	Ambulance Services		148	8	156
H113	Dental Care		2252	241	2493
H114	Dental Laboratories		257	8	265
H115	Clinics and Dispensaries		3732	547	4279
H116	Veterinary Services		358	36	394
H117	Medical Records		108	514	622
H118	Nursing Services		4102	1004	5106
H119	Preventive Medicine		119	48	167
H120	Occupational Health		194	753	947
H121	Drug Rehabilitation		336	199	535
H999	Other Health Services		1253	335	1588
		H Total	24718	7276	31994

J	Intermediate, Direct or General Repair and Maintenance of Equipment			
J000A	Management	687	44	731
J000B	Management Support	995	25	1020
J000C	ADP Support	98	13	111
J000D	Administrative Support	572	80	652
J501	Aircraft Maintenance	5020	113	5133
J502	Aircraft Engine Maintenance	567	18	585
J503	Missiles	65	196	261
J504	Vessels	6495	2353	8848
J506	Noncombat Vehicles	39	68	107
J507	Electronic and Communication Equipment Maintenance	911	228	1139
J510	Railway Equipment	2	20	22
J511	Special Equipment	6	328	334
J512	Armament	936	147	1083
J513	Dining Facility Equipment	4	2	6
J514	Medical and Dental Equipment	298	10	308
J515	Containers, Textile, Tents, and Tarpaulins	56	0	56
J517	Training Devices and Audiovisual Equipment	69	2	71
J519	Industrial Plant Equipment	18	6	24
J520	Test, Measurement and Diagnostic Equipment	132	22	154
J521	Aeronautical Support Equipment	76	13	89
J522	Aeronautical Support Equipment	1130	17	1147
J999	Maintenance of Other Equipment	442	47	489
	J Total	18618	3752	22370

K	Depot Repair, Maintenance, Modification, Conversion or Overhaul of Equipment			
K000A	Management	64	416	480
K000B	Management Support	20	465	485
K000C	ADP Support	1	72	73
K000D	Administrative Support	12	379	391
K531	Aircraft	50	6488	6538
K532	Aircraft Engines	4	1053	1057
K533	Missiles	68	16	84
K534	Vessels	242	16255	16497
K535	Combat Vehicles	2	0	2
K536	Noncombat Vehicles	3	14	17
K537	Electronic and Communication Equipment	9	356	365
K539	Special Equipment	11	29	40
K540	Armament	44	457	501
K541	Industrial Plant Equipment	10	301	311
K542	Dinning and Facility Equipment	0	1	1
K543	Medical and Dental Equipment	8	1	9
K544	Containers, Textile, Tents, and Tarpaulins	3	0	3
K546	Test, Measurement and Diagnostic Equipment	14	161	175
K547	Other Test, Measurement and Diagnostic Equipment	0	121	121
K548	Aeronautical Support Equipment	10	112	122
K999	Other Depot Repair, Maint, Modi, Conversion or Overhaul of Equipment	35	509	544
	K Total	610	27206	27816

P	Base Maintenance/ Multifunction				
P000A	Management		3	14	17
P000B	Management Support		2	24	26
P000C	ADP Support		0	3	3
P000D	Administrative Support		0	29	29
P100	Installation Operations (Multi-function)		102	124	226
		P Total	107	194	301
R	Research, Development, Test, and Evaluation				
R000A	Management		106	1036	1142
R000B	Management Support		75	811	886
R000C	ADP Support		9	174	183
R000D	Administrative Support		74	1813	1887
R600	RDT&E		1090	18507	19597
R660	RDT&E Support		1928	2961	4889
		R Total	3282	25302	28584
S	Installation Services				
S000A	Management		309	314	623
S000B	Management Support		196	626	822
S000C	ADP Support		38	152	190
S000D	Administrative Support		280	775	1055
S700	Natural Resource Services		19	370	389
S701	Advertising and Public Relations		282	216	498
S702	Financial and Payroll Services		385	1159	1544
S703	Debt Collection		2	126	128
S706	Bus Services		0	30	30
S708	Laundry and Dry Cleaning		63	81	144
S709	Custodial Services		121	374	495
S710	Pest Management		3	107	110
S712	Refuse Collection and Disposal Services		12	43	55
S713	Food Services		2014	497	2511
S716	Motor Vehicle Operation		99	2316	2415
S717	Motor Vehicle Maintenance		54	1108	1162
S718	Fire Prevention and Protection		376	3551	3927
S719	Military Clothing		10	14	24
S724	Guard Service		4472	2665	7137
S725	Electrical Plants and Systems Operation and Maintenance		97	697	794
S726	Heating Plants and Systems Operation and Maintenance		36	855	891
S727	Water Plants and Systems Operation and Maintenance		13	226	239
S728	Sewage and Waste Plants Operation and Maintenance		7	235	242
S729	Air Conditioning and Refrigeration Plants		41	215	256
S730	Other Utilities Operation and Maintenance		189	439	628
S731	Supply Operations		2715	3440	6155
S732	Warehousing and Distribution of Publications		3	15	18
S740	Transportation Management Services		101	678	779
S750	Museum Operations		45	83	128
S760	Contractor-Operated Parts Stores & Civil Eng Supply Stores		0	32	32
S999	Other Installation Services		2263	1693	3956
		S Total	14245	23132	37377

T	Other Non Manufacturing Operations			
T000A	Management	238	376	614
T000B	Management Support	160	324	484
T000C	ADP Support	20	131	151
T000D	Administrative Support	138	821	959
T800	Ocean Terminal Operations	341	831	1172
T801	Storage and Warehousing	432	1317	1749
T802	Cataloging	1	24	25
T803	Acceptance Testing	173	280	453
T804	Architect-Engineering	26	1244	1270
T805	Operation of Bulk Liquid Storage	100	274	374
T806	Printing and Reproduction	15	18	33
T807	Visual Information	324	518	842
T808	Mapping and Charting	27	12	39
T809	Administrative Telephone Services	85	423	508
T810	Air Transportation Services	1172	324	1496
T811	Water Transportation Services	1603	120	1723
T812	Rail Transportation Services	0	90	90
T813	Engineering and Technical Services	1020	6870	7890
T814	Aircraft Fueling Services	164	44	208
T815	Scrap Metal Operation	0	4	4
T816	Telecommunication Centers	6150	564	6714
T817	Other Communications and Electronics Systems	1099	189	1288
T818	Systems Engineering and Installation of Communications Systems	110	526	636
T819	Preparation and Disposal of Excess and Surplus Property	4	24	28
T820	Administrative Support Services	929	1365	2294
T821	Special Studies and Analysis	100	684	784
T900	Training Aids, Devices, and Simulator Support	296	149	445
T999	Other Non-Manufacturing Operations	1172	4467	5639
	T Total	15899	22013	37912
U	Education and Training			
U000A	Management	281	108	389
U000B	Management Support	383	190	573
U000C	ADP Support	118	163	281
U000D	Administrative Support	612	502	1114
U100	Recruit Training	874	11	885
U200	Officer Acquisition Training	469	371	840
U300	Specialized Skill Training	9430	170	9600
U400	Flight Training	1098	68	1166
U500	Professional Development Training	508	75	583
U510	Professional Military Education	731	92	823
U520	Graduate Education, Fully Funded, Full-time	759	465	1224
U530	Other Full-time Education Programs	8	30	38
U540	Off-Duty (Voluntary) and On-Duty Education Programs	0	171	171
U600	Civilian Education and Training	0	76	76
U800	Training Development and Support	4041	782	4823
U999	Other Training Functions	3546	192	3738
	U Total	22858	3466	26324

W	Automatic Data Processing			
W000A	Management	75	219	294
W000B	Management Support	38	262	300
W000D	Administrative Support	6	178	184
W824	Data Processing Services	674	1312	1986
W825	Maintenance of ADP Equipment	218	282	500
W826	Systems Design, Development and Programming Services	274	3158	3432
W827	Software Services	44	187	231
W999	Other ADP Functions	55	301	356
	W Total	1384	5899	7283
X	Products, Manufactured and Fabricated In-House			
X000A	Management	2	6	8
X000B	Management Support	0	7	7
X000C	ADP Support	0	3	3
X000D	Administrative Support	0	16	16
X931	Ordnance Equipment	0	358	358
X932	Products Made From Fabric or Similar Materials	0	2	2
X934	Preparation of Food and Bakery Products	1	2	3
X935	Liquid, Gaseous and Chemical Products	13	1	14
X938	Communications and Electronic Products	0	23	23
X940	Rubber and Plastic Products	0	3	3
X941	Optical and Related Products	174	27	201
X942	Sheet Metal Products	0	3	3
X944	Machined Parts	0	48	48
X999	Other Products Manufactured and Fabricated In-House	0	5	5
	X Total	190	504	694
Y	Other Selected Functions			
Y000A	Management	1049	1228	2277
Y000B	Management Support	1267	2026	3293
Y000C	ADP&E Support	668	990	1658
Y000D	Administrative Support	2980	5973	8953
Y100	Combat Forces	197169	6	2E+05
Y120	Operational Planning and Control	9038	515	9553
Y130	Intelligence	6588	952	7540
Y200	Commanders and Support Staff	4555	2660	7215
Y300	Embassy Activities	7	0	7
Y400	Legal Services	629	796	1425
Y410	Criminal Investigation	74	800	874
Y420	Judicial	383	59	442
Y430	Administrative Hearings	26	15	41
Y440	Federal Licensing and Permitting	4	4	8
Y510	Budget and Financial Program Management	779	6235	7014
Y520	Public Works and Real Property Maintenance Program Management	304	774	1078
Y530	Personnel, Community Activities and Manpower Program Management	8790	4431	13221
Y540	Maintenance and Logistics Program Management	2217	5431	7648
Y550	Information and Telecommunications Program Management	978	1020	1998
Y600	Contracting	478	6787	7265

Y650	Acquisition (Equipment & Weapons Systems)	1167	7893	9060
Y999	Other Functions	6893	2728	9621
	Y Total	246043	51323	3E+05
Z	Maintenance, Repair, Alteration, and Minor Construction of Real Property			
Z000A	Management	56	90	146
Z000B	Management Support	22	142	164
Z000C	ADP Support	0	6	6
Z000D	Administrative Support	8	128	136
Z991	Maintenance and Repair of Family Housing Buildings and Structures	9	367	376
Z992	Maintenance and Repair of Bldgs & Structures Other Than Family Hsg	716	4527	5243
Z993	Maintenance and Repair of Grounds and Surfaced Areas	42	117	159
Z997	Maintenance and Repair of Railroad Facilities	0	15	15
Z998	Maintenance and Repair of Waterways	9	49	58
Z999	Other Maintenance, Repair, Alteration, and Minor Cons of Real Property	195	1002	1197
	Z Total	1057	6443	7500

Source: FY1998 IG/CA Inventory

Exhibit 15

REASON CODE BREAKOUT
(Military & Civilian)

Reason Code	Description	Military	Civilian	Total
A	Military Combat	196909	0	196909
B	Military Combat Augmentation	27763	0	27763
C	Military Unique Knowledge & Skills	72637	0	72637
D	Military Image & Esprit de Corps	6097	0	6097
E	Military Rotation	8608	0	8608
F	Military Career Progression	23208	0	23208
G	Civilian Authority & Direction	0	14138	14138
H	Civilian Expertise & Control	0	52323	52323
I	Civilian National Security & Operational Risk	0	22177	22177
J	EO, Law, Treaty, or International Agreement	4646	9575	14221
K	Legislatively Mandated Floors	0	10184	10184
L	DoD Management Determination	881	571	1452
M	Based on Cost Comparison	9	2322	2331
N	Pending Contract Award	550	214	764
O	Pending Cost Comparisons Results	1355	10491	11846
P	Pending Restructuring Decision	4646	6134	10780
Q	Based on Terminated Cost Comparison	0	1	1
R	Subject to Review	4815	54386	59201
	Grand Total	352124	182516	534640

Source: FY1998 IG/CA Inventory

Exhibit 16

MILITARY/ CIVILIAN STUDY REASON CODES (M,N,O,R) BY MAJOR CLAIMANT vs. TOTAL CLAIMANT POPULATION

	Study Reason Codes											
	M		N		O		R					
Claimant	Number of Billets	% of Total Population	Number of Billets	% of Total Population	Number of Billets	% of Total Population	Number of Billets	% of Total Population	Total Claimant Population			
Under Secretary of the Navy (AAUSN)	0	0.0%	0	0.0%	2	0.0%	1176	24.8%	4733			
Bureau of Medicine (BUMED)	0	0.0%	0	0.0%	123	0.3%	7798	19.4%	40169			
Bureau of Naval Personnel (BUPERS)	0	0.0%	3	0.0%	20	0.2%	1511	15.6%	9678			
Chief of Naval Education and Training (CNET)	0	0.0%	3	0.0%	2028	8.4%	2084	8.6%	24266			
Chief of Naval Operations (CNO or FSA)	2	0.0%	35	0.3%	243	1.8%	3172	23.5%	13522			
Central Operating Activity (COA)	0	0.0%	0	0.0%	97	3.1%	80	2.5%	3166			
Director, Strategic Systems Command (DIRSSP)	6	0.5%	0	0.0%	0	0.0%	205	16.0%	1283			
Defense Information Systems Agency (DISA)	5	1.1%	0	0.0%	0	0.0%	0	0.0%	463			
Defense Mapping Agency (DMA)	0	0.0%	0	0.0%	0	0.0%	1	1.7%	60			
Defense Nuclear Agency (DNA)	0	0.0%	0	0.0%	0	0.0%	1	1.2%	85			
Commander in Chief, US Atlantic Fleet (CINCLANTFLT)	3	0.0%	593	0.5%	723	0.6%	4821	3.7%	129251			
Naval Meterology and Oceanography Command (NAVMETOC)	1	0.0%	0	0.0%	0	0.0%	226	8.1%	2796			
Military Sealift Command (MSC)	0	0.0%	0	0.0%	99	1.9%	3324	62.8%	5291			
Naval Air Systems Command (NAVAIR)	50	0.2%	6	0.0%	1431	4.5%	3628	11.4%	31697			
Commander in Chief, US Naval Forces Europe (CINCUSNAVEUR)	4	0.1%	0	0.0%	0	0.0%	1879	29.1%	6458			
Naval Facilities Engineering Command (NAVFAC)	16	0.1%	12	0.1%	3150	17.8%	6071	34.3%	17711			
Naval Sea Systems Command (NAVSEA)	145	0.3%	3	0.0%	1614	2.9%	7667	13.8%	55571			
Naval Supply Systems Command (NAVSUP)	30	0.3%	59	0.6%	497	4.7%	4527	42.5%	10663			
Naval Computer and Telecommunication Command (NCTC)	0	0.0%	0	0.0%	501	6.6%	2506	33.2%	7554			
Office of Naval Intelligence (ONI)	0	0.0%	0	0.0%	0	0.0%	413	19.6%	2103			
Office of Naval Research (ONR)	0	0.0%	0	0.0%	0	0.0%	166	4.4%	3796			
Commander in Chief, US Pacific Fleet (CINCPACFLT)	12	0.0%	50	0.0%	1292	1.1%	6419	5.3%	120486			
Naval Reserve Force (RESFOR)	2057	14.4%	0	0.0%	26	0.2%	2	0.0%	14263			
Naval Security Group Command (SECGRU)	0	0.0%	0	0.0%	0	0.0%	61	0.8%	7714			
Space & Naval Warfare Systems (SPAWAR)	0	0.0%	0	0.0%	0	0.0%	1331	19.9%	6683			
Naval Special Warfare Command (SPECWAR)	0	0.0%	0	0.0%	0	0.0%	32	0.6%	5386			
US Transportation Command (TRANSCOM)	0	0.0%	0	0.0%	0	0.0%	37	16.9%	219			
Commandant of Marine Corps (USMC)	0	0.0%	0	0.0%	0	0.0%	63	0.9%	6865			
Reason Codes M, N, O, R Totals	2331	0.4%	764	0.1%	11846	2.2%	59201	11.1%	531932			
The following claimants do not have reason coded M, N, O, or R billets:												
Airborne Reconnaissance Support Program (ARSP)	Defense Logistics Agency (DLA)				On Site Inspection Agency (OSIA)							
Defense Advanced Research Project Agency (DARP)	Defense Support Activity Agency (DSAA)				Strategic Defense Initiative Organization (SDIO)							
Defense Financial and Accounting Service (DFAS)	Secretary of Defense/Chairman, JCS (JCS)											
Defense Intelligence Agency (DIA)	Joint Logistic Systems Central (JLSC)											
Defense Inspector General (DIG)	National Security Agency (NSA)											

Source: FY1998 IG/CA Inventory

Exhibit 17

CIVILIAN INHERENTLY GOVERNMENTAL CODES BY MAJOR CLAIMANT vs. TOTAL CLAIMANT POPULATION

	Inherently Governmental (IG) Reason Codes											
	G			H			I					
Claimant	Number of Billets	% of Total Civilian Population	% of Total Population	Number of Billets	% of Total Civilian Population	% of Total Population	Number of Billets	% of Total Civilian Population	% of Total Population	Total Claimant Civilian Population	% of Total Population	Total Claimant Population
Under Secretary of the Navy (AAUSN)	298	8.1%	6.3%	2200	59.5%	46.5%	40	1.1%	0.8%	3698	78.1%	4733
Bureau of Medicine (BUMED)	14	0.1%	0.0%	457	4.4%	1.1%	1747	16.7%	4.3%	10433	26.0%	40169
Bureau of Naval Personnel (BUPERS)	65	3.9%	0.7%	518	30.8%	5.4%	5	0.3%	0.1%	1684	17.4%	9678
Chief of Naval Education and Training (CNET)	328	5.5%	1.4%	1427	23.7%	5.9%	4	0.1%	0.0%	6017	24.8%	24266
Chief of Naval Operations (CNO)	254	3.7%	1.9%	2484	36.2%	18.4%	481	7.0%	3.6%	6856	50.7%	13522
Director, Strategic Systems Command (DIRSSP)	80	10.1%	6.2%	436	55.2%	34.0%	63	8.0%	4.9%	790	61.6%	1283
Commander in Chief, US Atlantic Fleet (CINCLANTFLT)	109	0.9%	0.1%	2075	18.0%	1.6%	11	0.1%	0.0%	11520	8.9%	129251
Naval Meterology and Oceanography Command (NAVMETOC)	46	3.2%	1.6%	1036	72.0%	37.1%	122	8.5%	4.4%	1439	51.5%	2796
Military Sealift Command (MSC)	52	1.2%	1.0%	699	16.6%	13.2%	50	1.2%	0.9%	4212	79.6%	5291
Naval Air Systems Command (NAVAIR)	3587	12.9%	11.3%	10299	37.0%	32.5%	62	0.2%	0.2%	27843	87.8%	31697
Commander in Chief, US Naval Forces Europe (CINCUSNAVEL	6	0.2%	0.1%	91	3.7%	1.4%	0	0.0%	0.0%	2461	38.1%	6458
Naval Facilities Engineering Command (NAVFAC)	897	5.4%	5.1%	5528	33.2%	31.2%	357	2.1%	2.0%	16635	93.9%	17711
Naval Sea Systems Command (NAVSEA)	4157	7.9%	7.5%	17499	33.5%	31.5%	16324	31.2%	29.4%	52302	94.1%	55571
Naval Supply Systems Command (NAVSUP)	1911	19.5%	17.9%	2063	21.0%	19.3%	33	0.3%	0.3%	9825	92.1%	10663
Naval Computer and Telecommunication Command (NCTC)	70	2.7%	0.9%	155	6.0%	2.1%	47	1.8%	0.6%	2589	34.3%	7554
Office of Naval Intelligence (ONI)	25	2.3%	1.2%	101	9.4%	4.8%	526	48.8%	25.0%	1078	51.3%	2103
Office of Naval Research (ONR)	446	12.5%	11.7%	515	14.4%	13.6%	2059	57.7%	54.2%	3568	94.0%	3796
Commander in Chief, US Pacific Fleet (CINCPACFLT)	394	3.8%	0.3%	1418	13.5%	1.2%	5	0.0%	0.0%	10494	8.7%	120486
Naval Reserve Force (RESFOR)	0	0.0%	0.0%	18	0.9%	0.1%	0	0.0%	0.0%	2085	14.6%	14263
Naval Security Group Command (SECGRU)	34	5.0%	0.4%	92	13.5%	1.2%	2	0.3%	0.0%	684	8.9%	7714
Space & Naval Warfare Systems (SPAWAR)	1356	22.5%	20.3%	2984	49.5%	44.7%	231	3.8%	3.5%	6032	90.3%	6683
Naval Special Warfare Command (SPECWAR)	9	3.4%	0.2%	228	85.1%	4.2%	8	3.0%	0.1%	268	5.0%	5386
Reason Codes G, H, I Totals	14138	7.7%	2.7%	52323	28.7%	10.0%	22177	12.2%	4.3%	182513	35.0%	521074

The following claimants do not have reason coded G, H, or I billets:			
Airborne Reconnaissance Support Program (ARSP)	Defense Inspector General (DIG)	Defense Support Activity Agency (DSAA)	Naval Reserve Force (RESFOR)
Central Operating Activity (COA)	Defense Information Systems Agency (DISA)	Secretary of Defense/Chairman, JCS (JCS)	Strategic Defense Initiative Organization (SDIO)
Defense Advanced Research Project Agency (DARP)	Defense Logistics Agency (DLA)	Joint Logistic Systems Central (JLSC)	US Transportation Command (TRANCOM)
Defense Financial and Accounting Service (DFAS)	Defense Mapping Agency (DMA)	National Security Agency (NSA)	Commandant of Marine Corps (USMC)
Defense Intelligence Agency (DIA)	Defense Nuclear Agency (DNA)	On Site Inspection Agency (OSIA)	

Source: FY1998 CA/IG Inventory

Exhibit 18

MILITARY/ CIVILIAN REASON CODES (J,K,L) BY MAJOR CLAIMANT vs. TOTAL CLAIMANT POPULATION

	Reason Codes								
	J		K		L				
	Number of Billets	% of Total Population	Number of Billets	% of Total Population	Number of Billets	% of Total Population	Total Claimant Population
Under Secretary of the Navy (AAUSN)	3	0.1%	0	0.0%	3	0.1%	4733
Bureau of Medicine (BUMED)	945	2.4%	0	0.0%	176	0.4%	40169
Bureau of Naval Personnel (BUPERS)	51	0.5%	0	0.0%	0	0.0%	9678
Chief of Naval Education and Training (CNET)	1091	4.5%	0	0.0%	5	0.0%	24266
Chief of Naval Operations (CNO or FSA)	392	2.9%	0	0.0%	0	0.0%	13522
Central Operating Activity (COA)	814	25.7%	0	0.0%	0	0.0%	3166
Commander in Chief, US Atlantic Fleet (CINCLANTFLT)	3682	2.8%	0	0.0%	0	0.0%	129251
Naval Meterology and Oceanography Command (NAVMETOC)	0	0.0%	18	0.6%	0	0.0%	2796
Naval Air Systems Command (NAVAIR)	310	1.0%	7538	23.8%	0	0.0%	31697
Commander in Chief, US Naval Forces Europe (CINCUSNAVEUR)	830	12.9%	35	0.5%	0	0.0%	6458
Naval Facilities Engineering Command (NAVFAC)	156	0.9%	0	0.0%	9	0.1%	17711
Naval Sea Systems Command (NAVSEA)	2364	4.3%	2593	4.7%	0	0.0%	55571
Naval Supply Systems Command (NAVSUP)	279	2.6%	0	0.0%	0	0.0%	10663
Naval Computer and Telecommunication Command (NCTC)	105	1.4%	0	0.0%	0	0.0%	7554
National Security Agency (NSA)	0	0.0%	0	0.0%	59	5.3%	1108
Office of Naval Intelligence (ONI)	52	2.5%	0	0.0%	0	0.0%	2103
Office of Naval Research (ONR)	383	10.1%	0	0.0%	0	0.0%	3796
Commander in Chief, US Pacific Fleet (CINCPACFLT)	2670	2.2%	0	0.0%	0	0.0%	120486
Naval Reserve Force (RESFOR)	2	0.0%	0	0.0%	6	0.0%	14263
Naval Security Group Command (SECGRU)	91	1.2%	0	0.0%	1194	15.5%	7714
Space & Naval Warfare Systems (SPAWAR)	1	0.0%	0	0.0%	0	0.0%	6683
Reason Codes J, K, L Totals	14221	2.8%	10184	2.0%	1452	0.3%	513388
The following claimants do not have reason coded G, H, or I billets:							
Airborne Reconnaissance Support Program (ARSP)	Defense Mapping Agency (DMA)				On Site Inspection Agency (OSIA)		
Defense Advanced Research Project Agency (DARP)	Defense Nuclear Agency (DNA)				Naval Reserve Force (RESFOR)		
Defense Financial and Accounting Service (DFAS)	Defense Support Activity Agency (DSAA)				Strategic Defense Initiative Organization (SDIO)		
Defense Intelligence Agency (DIA)	Military Sealift Command (MSC)				US Transportation Command (TRANCOM)		
Defense Inspector General (DIG)	Secretary of Defense/Chairman, JCS (JCS)				Commandant of Marine Corps (USMC)		
Defense Information Systems Agency (DISA)	Joint Logistic Systems Central (JLSC)				Director, Strategic Systems Command (DIRSSP)		
Defense Logistics Agency (DLA)	Naval Special Warfare Command (SPECWAR)						

Source: FY1998 IG/CA Inventory

Exhibit 19

COMPARISON OF 97-98 CA INVENTORY

	OMB	FY 97 Actual Work Years			FY 98 Actual Work Years		
Function Group	Code	Civilian	Military	Total	Civilian	Military	Total
Social Services	G	3646	2271	5917	6006	3113	9119
Health Services	H	6486	19895	26381	7276	24718	31994
Intermediate, Direct or General Repair and Maintenance of Eq	J	4221	16148	20369	3752	18618	22370
Depot Repair, Maintenance, Modification, Conversion or Overh	K	26931	454	27385	27206	610	27816
Base Maintenance/ Multifunction	P	7	0	7	194	107	301
Research, Development, Test, and Evaluation	R	20333	2473	22806	25302	3282	28584
Installation Services	S	15736	6922	22658	23132	14245	37377
Other Non Manufacturing Operations	T	13698	9114	22812	22013	15899	37912
Education and Training	U	2738	16165	18903	3466	22858	26324
Automatic Data Processing	W	4974	692	5666	5899	1384	7283
Products, Manufactured and Fabricated In-House	X	479	159	638	504	190	694
Other Selected Functions	Y	69542	42257	111799	51323	246043	297366
Maintenance, Repair, Alteration, and Minor Construction of Re	Z	6734	501	7235	6443	1057	7500
	Total	175525	117051	292576	182516	352124	534640

The Commercial Activities Inventory submitted in 1997 was not gathered in the same detail as the billet level manpower data collected in response to DRID 20 regarding the FY1998 IG/CA Inventory. Specifically the CA data was gathered from only the 19 major claimants and did not include combat forces, overseas personnel, joint commands or intelligence forces.

Source: FY1998 CA/IG Inventory

Exhibit 20

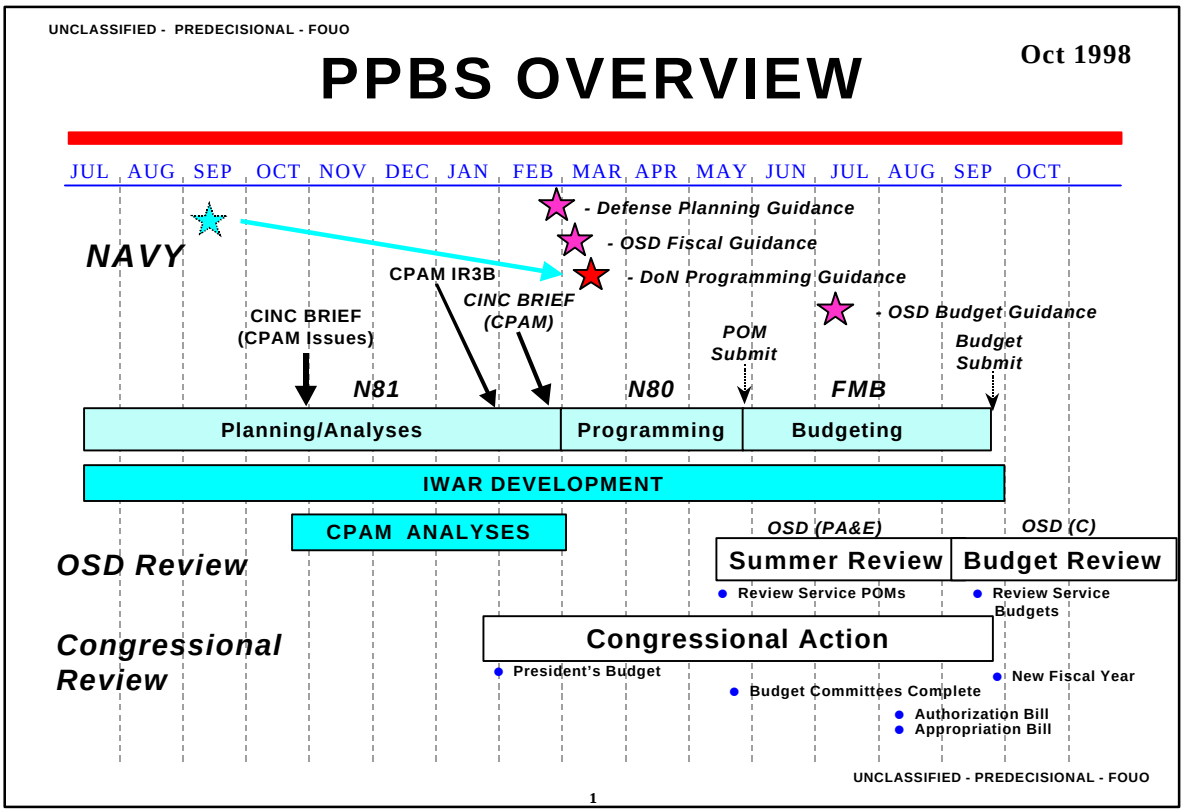

UNCLASSIFIED - PREDECISIONAL - FOUO
PPBS OVERVIEW
Oct 1998
JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT
NAVY
- Defense Planning Guidance
- OSD Fiscal Guidance
- DoN Programming Guidance
- OSD Budget Guidance
CPAM IR3B
CINC BRIEF (CPAM)
CINC BRIEF (CPAM Issues)
POM Submit
Budget Submit
N81
N80
FMB
Planning/Analyses
Programming
Budgeting
IWAR DEVELOPMENT
CPAM ANALYSES
OSD (PA&E)
OSD (C)
OSD Review
Summer Review
Budget Review
Review Service POMs
Review Service Budgets
Congressional Review
Congressional Action
President's Budget
New Fiscal Year
Budget Committees Complete
Authorization Bill
Appropriation Bill
UNCLASSIFIED - PREDECISIONAL - FOUO
1

Exhibit 21

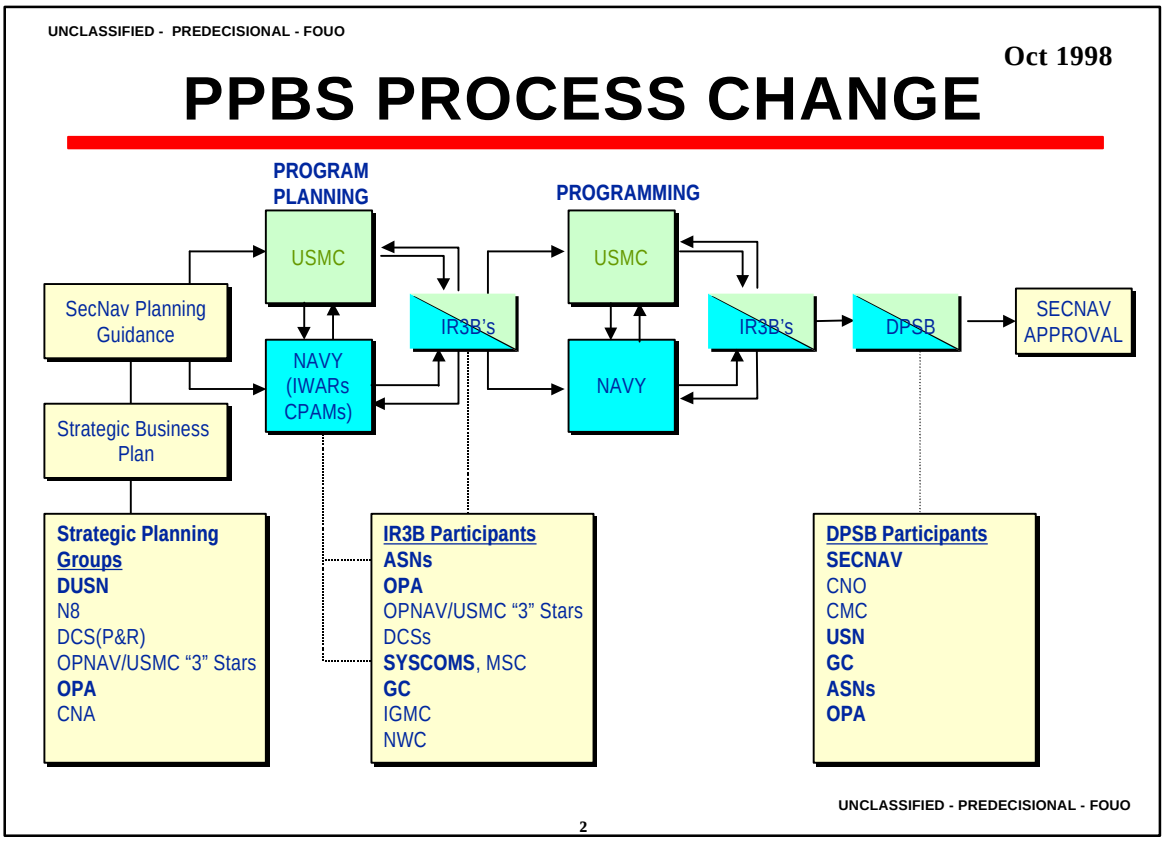

UNCLASSIFIED - PREDECISIONAL - FOUO
Oct 1998
PPBS PROCESS CHANGE
PROGRAM PLANNING
PROGRAMMING
USMC
USMC
SecNav Planning Guidance
IR3B's
IR3B's
DPSB
SECNAV APPROVAL
NAVY (IWARs CPAMs)
NAVY
Strategic Business Plan
Strategic Planning Groups
DUSN
N8
DCS(P&R)
OPNAV/USMC "3" Stars
OPA
CNA
IR3B Participants
ASNs
OPA
OPNAV/USMC "3" Stars
DCSs
SYSCOMS, MSC
GC
IGMC
NWC
DPSB Participants
SECNAV
CNO
CMC
USN
GC
ASNs
OPA
UNCLASSIFIED - PREDECISIONAL - FOUO
2

Exhibit 22

Budget Critical Dates

May

- POM finalized and integrated into DoN budget database
- Budget Guidance issued to Budget Submitting Offices (BSOs)

July

- Budget Exhibits submitted to FMB for DoN summer review

July-August

- DoN Budget Review (Analysis of BSO submits)
- Marks Issued/Reclamas

September

- Appropriation Controls ($ and personnel) Issued to BSOs
- DoN Budget Submission to OSD/OMB

October-December

- OSD Program Budget Decisions

December

- Major Budget Decisions
- Final Controls Issued to Service Components

January

- President's Budget submitted to Congress

Exhibit 23

WEDGE ALLOCATION METHODOLOGY

Competitive Sourcing:

AVG Salary	0.045
Savings	0.3

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Studies to Complete	3,000	9,000	10,000	15,000	15,000	5,000	1,500	58,500
Savings ($M)								
Savings from FY97 Studies	$10	$41	$41	$41	$41	$41	$41	$253
Savings from FY98 Studies		$30	$122	$122	$122	$122	$122	$638
Savings from FY99 Studies			$34	$135	$135	$135	$135	$574
Savings from FY00 Studies				$51	$203	$203	$203	$658
Savings from FY01 Studies					$51	$219	$275	$545
Total ($M)	$10	$71	$196	$348	$550	$719	$775	$2,668
Corresponding FTE reductions	225	1,575	4,350	7,725	12,225	15,975	17,213	59,288

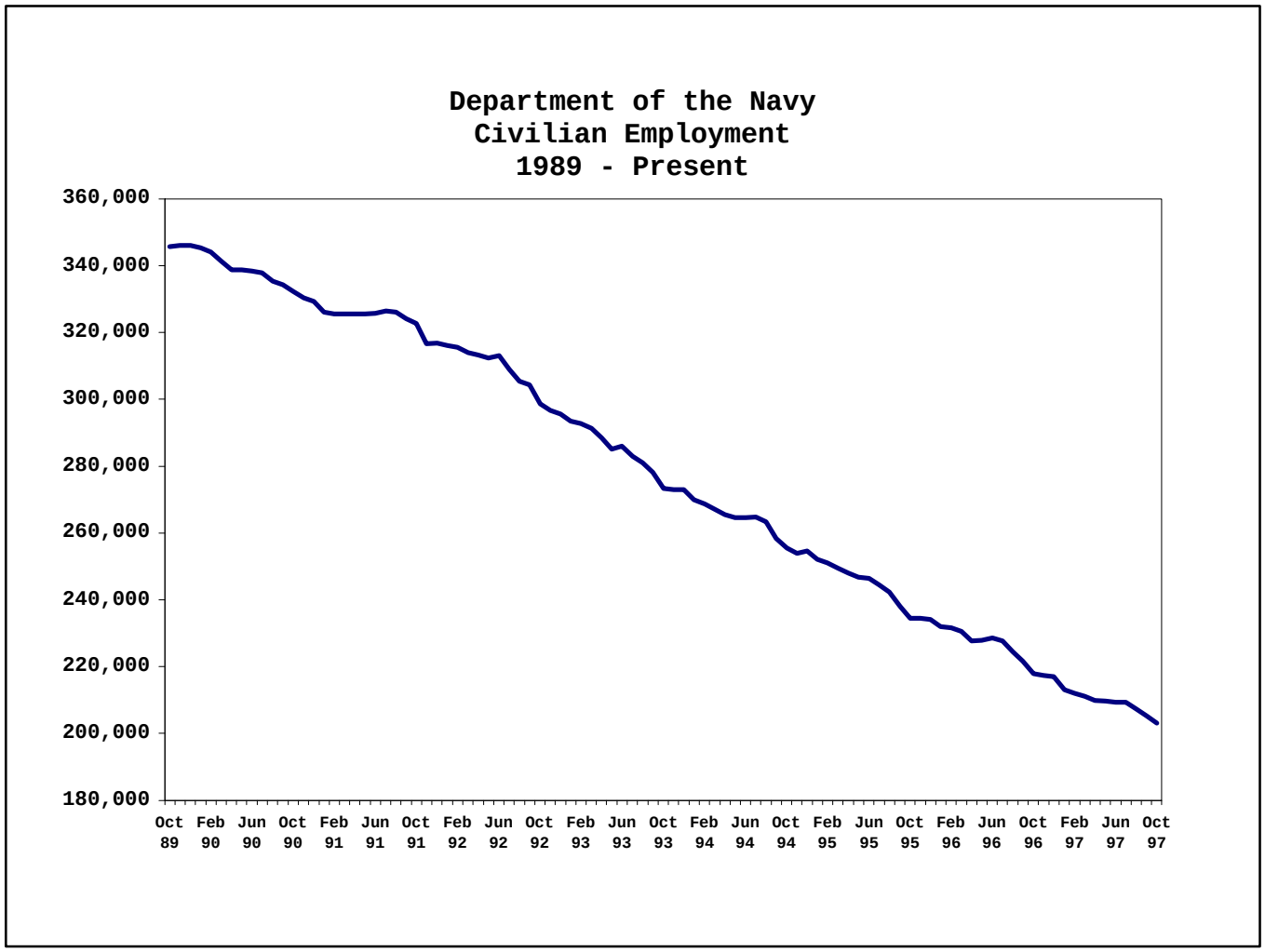
Assumptions:
Average salary of $45K per FTE (based on FY98 CA inventory)
Average savings of 30%.
Competable billets of 57,500 (i.e., 64k less DHP billets).
Completion timeframe allows 18 months for single function studies and 36 months for multi function studies.

Regionalization/OBOS:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Reduced Utilities	$20	$40	$50	$55	$58	$60	$60	$60	$403
SMART Base		$5	$15	$25	$35	$50	$60	$70	$260
Regionalization (Non-A76)	$10	$30	$80	$125	$159	$197	$202	$207	$1,010
Total ($M)	$30	$75	$145	$205	$252	$307	$322	$337	$1,673

Source: CNO N46 POM98 OBOS savings projections.

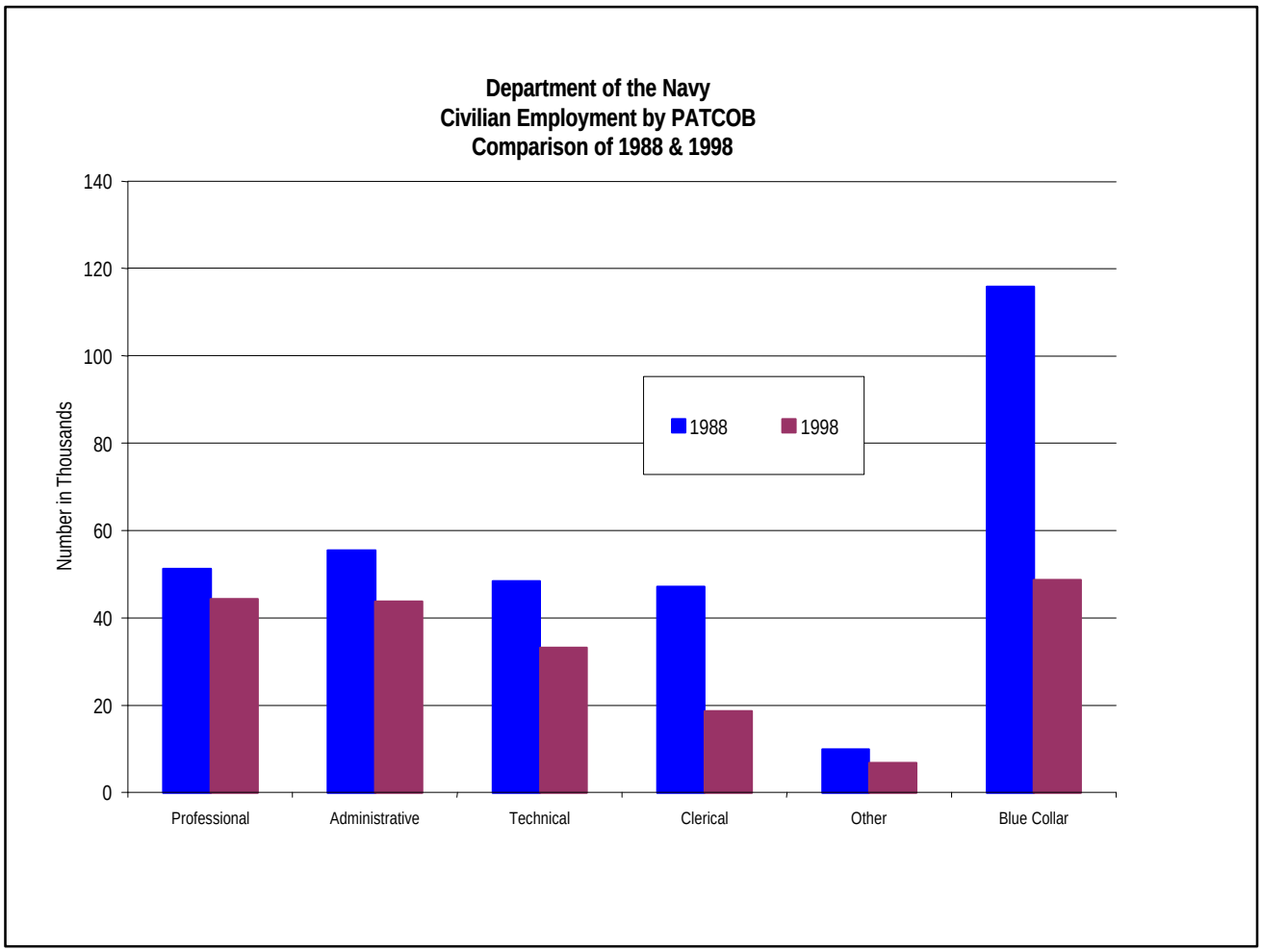
Exhibit 24



Source: ASN (M&RA) manpower data

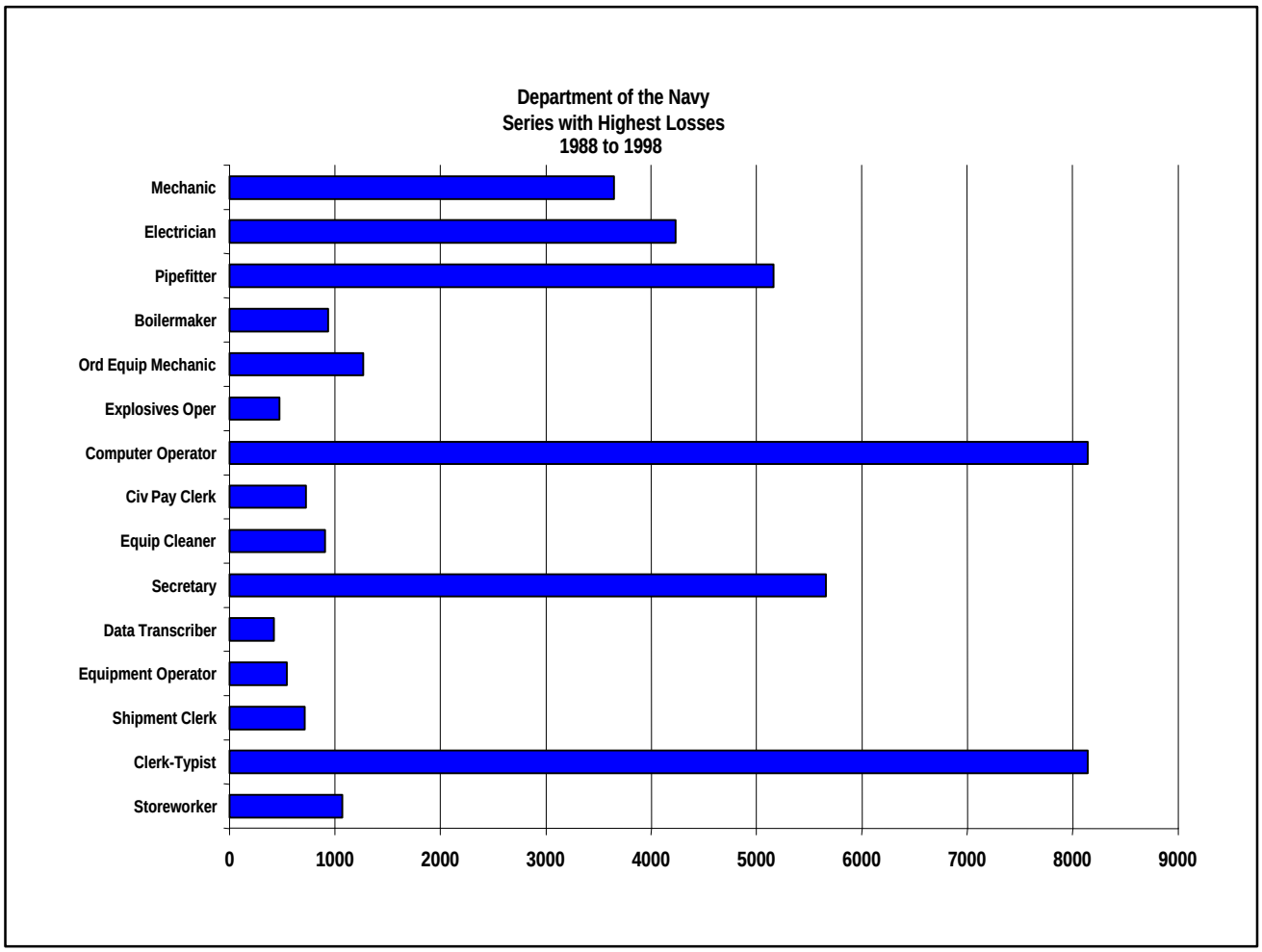
Comparison of Civilian Workforce (FY1988-FY1998) by PATCOB…

Exhibit 25



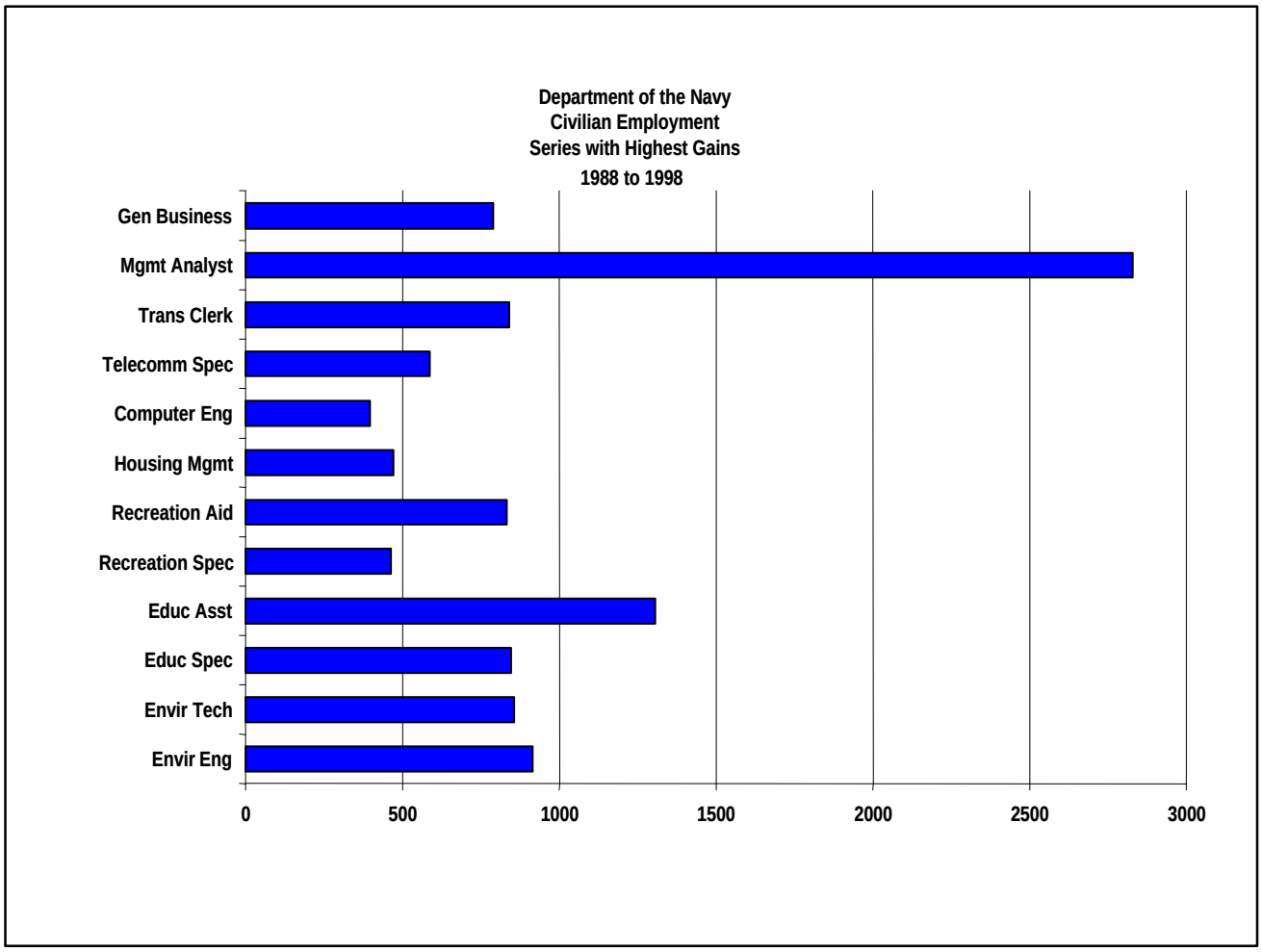
Source: ASN (M&RA) manpower data

Exhibit 26



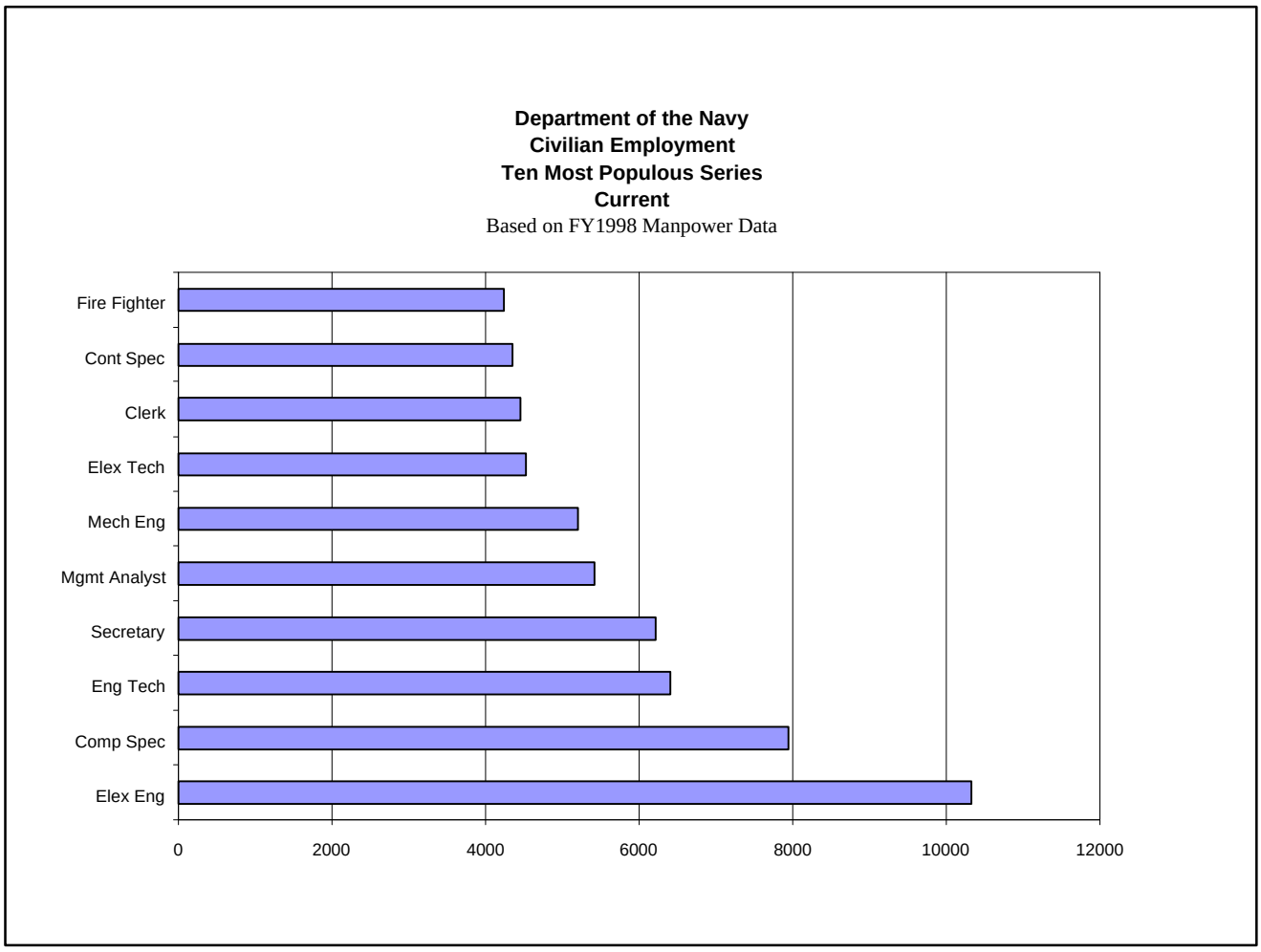
Note: FY 1998 data compared to FY 1988 data
Source: ASN (M&RA) manpower data

Exhibit 27



Note: FY 1998 data compared to FY 1988 data
Source: ASN (M&RA) manpower data

Exhibit 28



Source: ASN (M&RA) FY 1998 manpower data

Exhibit 29

Navy Sea-Shore Rotation by Enlisted Ratings

Sea-shore rotation tour lengths exist to adequately fill both sea and shore billet requirements and to equitably distribute time at sea and time ashore to all ratings. Sea-shore rotation applies to all enlisted members, with the exception of certain skill groups who rotate according to CONUS/OCONUS duty assignments. In order to provide both personal and command stability, long term efforts are directed to achieve an optimal 36 month sea and 36 month shore rotation tour length.

Sea-shore rotation review is accomplished as necessary, based upon the scope of changes to the projected sea-shore billet base structures in the Future Years Defense Plan (FYDP). Future billet base structures must be used due to the time required to phase in the new sea-shore rotation plans as matched to quality and quantity of changes in the manpower personnel accounts. The last sea-shore review was completed in 1998 (NAVADMIN 192/98). The review endeavors to ensure a sea-shore manning imbalance does not occur as a result of changes to the sea-shore billet base. The sea to shore billet base ratio (# of sea billets / # of shore billets), by paygrade, determines the sea-shore rotation ratio. The ratio is commonly expressed in terms of the number of months sea duty to a 36 month shore tour. For example, OS2 has a sea-shore billet base ratio of 3.29 (2699 sea / 821 shore), which would equate to a 118 month sea tour and a 36 month shore tour. However, the sea-shore billet ratio for an OS1 is 1.02 (730 sea / 719 shore), which would equate to 36 month sea tour and a 36 month shore tour. Accordingly, the sea-shore billet base for OS2 must be changed to achieve a more reasonable ratio.

Sea-shore rotation tour lengths are established for each rate (rating and paygrade) based on the billet base structure for each rating. It would be extremely difficult to enforce sea-shore rotation by virtue of an aggregate E5-E9 ratio due to paygrade imbalances between sea-shore billet bases as illustrated in the OS example above.

Source: CNO N12

Exhibit 30

Navy Enlisted Sea-Shore Rotation Tour Lengths

RTAUZYUW RUENAAA6065 2472217-UUUU--RUCRNAD.
ZNR UUUUU
R 042105Z SEP 98 ZYB MIN PSN 266803J25
FM CNO WASHINGTON DC//N1//
TO NAVADMIN
BT
THIS IS A 4 SECTIONED MSG COLLATED BY MDS
UNCLAS //N01306//
PART ONE OF TWO - PART TWO IDENT IS 042106Z SEP 98
NAVADMIN 192/98
MSGID/GENADMIN/N132//
SUBJ/SEA/SHORE ROTATION TOUR LENGTH REVISIONS//
REF/A/RMG/CNO WASHINGTON DC/290030ZJUL95//
REF/B/RMG/CNO WASHINGTON DC/251357ZFEB97//
REF/C/DOC/ENLTRANSMAN/31OCT95//
NARR/REF A IS NAVADMIN 179/95, REF B IS NAVADMIN 044/97, REF C IS
ENLTRANSMAN, CHAPTER 3.0.//
POC/M. RENEGAR/LT/N132D15A/COMM: (703) 614-6649/DSN: 224-6649//
RMKS/1. THIS NAVADMIN ANNOUNCES MODIFICATIONS TO SEA/SHORE TOUR
LENGTHS PREVIOUSLY ESTABLISHED IN REFS A AND B. REVISED TOURS
REFLECT INCREMENTAL CHANGES TO INDIVIDUAL RATING'S SEA/SHORE BILLET
BASE RATIOS. NEW TOUR LENGTHS ARE DESIGNED TO BETTER MATCH PROJECTED
PERSONNEL INVENTORIES TO FUNDED BILLET REQUIREMENTS AT SEA AND SHORE
PAGE 02 RUENAAA6065 UNCLAS
(USING FY99 BILLET FILE AS A BASELINE).
2. PROJECTED ROTATION DATES (PRDS) WILL BE ADJUSTED BASED ON
LENGTH OF TOUR REMAINING. SAILORS WITH PRDS OF APR 99 OR
EARLIER WILL NOT BE ADJUSTED. CHANGES WILL BE INCORPORATED IN THE
NEXT REGULAR UPDATE TO THE ENLTRANSMAN.
3. CURRENT AND REVISED SEA/SHORE TOUR LENGTHS ARE AS FOLLOWS:

	CURRENT		REVISED	
ABCM	48	36	48	36
ABECS	48	36	48	36
ABEC	39	36	42	36
ABE1	48	36	42	36
ABE2	54	36	54	36
ABE3	54	36	54	36
ABEAN	54	36	54	24
ABFCS	48	36	51	36
ABFC	48	36	51	36
ABF1	48	36	48	36
ABF2	54	36	54	36
ABF3	54	36	54	36
ABFAN	54	36	54	24

PAGE 03 RUENAAA6065 UNCLAS

ABHCS	48	36	51	36
ABHC	48	36	48	36
ABH1	51	36	51	36
ABH2	51	36	51	36
ABH3	54	36	51	36

ABHAN	54	36	51	24
ACCM	36	60	36	60
ACCS	36	60	36	60
ACC	36	60	36	60
AC1	36	60	36	60
AC2	36	60	36	60
AC3	36	36	36	36
ACAN	36	36	36	36
ADCS	42	36	48	36
ADC	42	45	42	45
AD1	48	42	51	42
AD2	48	36	48	36
AD3	48	36	51	36
ADAN	48	36	51	24
AECS	36	36	36	36
PAGE 04 RUENAAA6065 UNCLAS				
AEC	36	36	36	36
AE1	48	36	48	36
AE2	48	36	48	36
AE3	48	24	48	24
AEAN	48	24	48	24
AFCM	36	36	36	36
AGCM	36	36	36	36
AGCS	36	36	36	42
AGC	36	36	36	42
AG1	42	36	42	36
AG2	42	36	42	36
AG3	42	36	36	36
AGAN	42	36	42	24
AKCM	36	36	36	36
AKCS	36	36	36	36
AKC	36	36	36	36
AK1	42	36	45	36
AK2	48	36	48	36
AK3	48	36	48	36
AKAN	48	36	51	24
PAGE 05 RUENAAA6065 UNCLAS				
AMCS	39	36	42	36
AMEC	36	36	48	36
AME1	48	36	48	36
AME2	54	36	54	36
AME3	54	36	54	36
AMEAN	54	36	54	24
AMHC	45	36	45	36
AMH1	45	36	48	42
AMH2	45	36	42	36
AMH3	54	36	54	36
AMHAN	54	36	54	24
AMSC	36	36	45	36
AMS1	42	36	42	36
AMS2	54	36	54	36
AMS3	54	36	54	36
AMSAN	54	36	54	24
AOCM	36	36	48	36
AOCS	48	36	48	36
AOC	42	36	48	36

AO1	54	36	51	36
PAGE 06 RUENAAA6065 UNCLAS				
AO2	54	36	51	36
AO3	54	36	54	36
AOAN	54	36	54	24
AN	48	24	54	24
ASCM	36	36	36	36
ASCS	36	36	36	36
ASC	36	42	33	36
AS1	42	36	33	42
AS2	42	36	45	36
AS3	48	36	48	36
ASAN	48	36	48	24
ATCS	36	36	36	36
ATC	36	36	36	36
AT1	36	36	36	36
AT2	48	36	48	36
AT3	48	24	48	24
ATAN	48	24	48	24
AVCM	36	36	36	36
AWCM	36	36	36	36
AWCS	36	36	36	36
AWC	36	36	36	36
AW1	42	36	42	36
AW2	54	36	54	36
AW3	54	36	54	36
AWAN	54	36	54	24
AZCM	36	36	36	36
AZCS	36	36	36	36
AZC	36	36	36	36
AZ1	36	36	36	36
AZ2	48	36	48	36
AZ3	48	24	48	36
AZAN	48	24	48	24
BMCM	48	36	42	36
BMCS	48	36	48	36
BMC	48	36	48	36
PAGE 02 RUENAAA6066 UNCLAS				
BM1	48	36	48	36
BM2	60	36	48	36
BM3	60	36	60	36
BMSN	60	36	60	24
BUCS	36	36	36	36
BUC	36	36	36	36
BU1	36	36	36	36
BU2	48	36	54	36
BU3	48	36	54	36
BUCN	48	36	54	24
CECS	36	36	36	36
CEC	36	36	36	36
CE1	36	36	36	36
CE2	48	36	54	36
CE3	48	36	54	36
CECN	48	36	54	24
CMCS	36	36	36	36
CMC	36	36	36	36

CM1	36	36	36	36
CM2	48	36	54	36
PAGE 03 RUENAAA6066 UNCLAS				
CM3	48	36	54	36
CMCN	48	36	54	24
CTACM	1	2	1	2
CTACS	1	2	1	2
CTAC	1	2	1	2
CTA1	1	2	1	2
CTA2	1	1	1	1
CTA3	1	1	1	1
CTASN	1	1	1	1
CTICM	1	2	1	2
CTICS	1	2	1	2
CTIC	1	1	1	1
CTI1	1	1	2	1
CTI2	2	1	2	1
CTI3	2	1	2	1
CTISN	2	1	2	1
CTMCM	1	1	1	1
CTMCS	1	2	1	2
CTMC	1	2	1	2
CTM1	1	1	1	1
PAGE 04 RUENAAA6066 UNCLAS				
CTM2	2	1	2	1
CTM3	2	1	2	1
CTMSN	2	1	2	1
CTOCM	1	2	1	2
CTOCS	1	2	1	2
CTOC	1	1	1	1
CTO1	2	1	2	1
CTO2	2	1	2	1
CTO3	2	1	2	1
CTOSN	2	1	2	1
CTRCM	1	2	1	2
CTRCS	1	2	1	2
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CTR1	1	1	1	1
CTR2	2	1	2	1
CTR3	2	1	2	1
CTRSN	2	1	2	1
CTTCM	1	2	1	2
CTTCS	1	2	1	2
CTTC	1	1	1	2
PAGE 05 RUENAAA6066 UNCLAS				
CTT1	1	1	1	1
CTT2	2	1	2	1
CTT3	2	1	2	1
CTTSN	2	1	2	1
CUCM	36	36	36	36
DCCM	36	36	48	36
DCCS	48	36	48	36
DCC	48	36	42	36
DC1	60	36	42	36
DC2	60	36	54	36
DC3	60	36	60	24

DCFN	60	36	60	24
DKCM	36	48	36	36
DKCS	36	48	36	36
DKC	36	48	36	36
DK1	48	36	48	36
DK2	48	36	48	36
DK3	42	36	48	36
DKSN	42	36	51	24
DMCM	36	60	36	60
PAGE 06 RUENAAA6066 UNCLAS				
DMCS	36	60	36	60
DMC	36	60	36	54
DM1	36	36	45	48
DM2	36	36	45	48
DM3	36	36	54	30
DMSN	36	36	54	24
DSCM	36	36	36	36
DSCS	36	36	36	36
DSC	36	36	36	36
DS1	48	36	48	36
DS2	48	36	48	36
DS3	60	36	60	36
DSSN	60	36	60	24
DT 0000/8707 (E5/9)	36	48	36	36
DT 0000/8707 (E1/4)	36	36	36	36
DT 8703	36	48	36	36
DT 8708	36	48	36	36
DT 8732	36	48	36	36
DT 8752	36	48	36	36
DT 8753	36	48	36	36
DT 8765	NA	48	36	36
DT 8783	36	48	36	36
EACS	36	36	36	36
EAC	36	36	36	36
EA1	36	36	36	36
EA2	48	36	54	36
EA3	48	36	54	36
EACN	48	36	54	24
EMCM(SS)(NUC)	36	36	36	36
EMCS(SS)(NUC)	36	36	36	36
EMC(SS)(NUC)	48	36	48	36
EM1(SS)(NUC)	60	36	60	36
EM2(SS)(NUC)	60	36	60	36
EM3(SS)(NUC)	60	36	60	36
EMFN(SS)(NUC)	60	36	60	36
PAGE 02 RUENAAA6067 UNCLAS				
EMCM(SW)(NUC)	36	36	36	36
EMCS(SW)(NUC)	36	36	36	36
EMC(SW)(NUC)	48	36	48	36
EM1(SW)(NUC)	60	36	60	36
EM2(SW)(NUC)	60	36	60	36
EM3(SW)(NUC)	60	36	60	36
EMFN(SW)(NUC)	60	36	60	36
EMCM	48	36	48	36
EMCS	48	36	48	36
EMC	48	36	42	36

EM1	48	36	42	36
EM2	60	36	54	36
EM3	60	36	60	24
EMFN	60	36	60	24
ENCM	48	36	48	36
ENCS	48	36	48	36
ENC	48	36	48	36
EN1	48	36	48	36
EN2	60	36	54	36
EN3	60	24	60	24
PAGE 03 RUENAAA6067 UNCLAS				
ENFN	60	24	60	24
EOCS	36	36	36	36
EOC	36	36	36	36
EO1	36	36	36	36
EO2	48	36	54	36
EO3	48	36	54	36
EOCN	48	36	54	24
EQCM	36	36	36	36
ETCM	36	36	42	36
ETCS	36	36	42	36
ETC	36	36	36	36
ET1	36	36	36	36
ET2	48	36	48	36
ET3	60	36	60	36
ETSN	60	36	60	24
ETCM(SS)	36	36	36	36
ETCS(SS)	36	36	36	36
ETC(SS)	48	36	48	36
ET1(SS)	48	36	48	36
ET2(SS)	48	36	54	36
ET3(SS)	54	36	54	36
ETFN(SS)	54	36	54	24
ETCM(SS)(NUC)	36	36	36	36
ETCS(SS)(NUC)	36	36	36	36
ETC(SS)(NUC)	48	36	48	36
ET1(SS)(NUC)	60	36	60	36
ET2(SS)(NUC)	60	36	60	36
ET3(SS)(NUC)	60	36	60	36
ETSN(SS)(NUC)	60	36	60	36
ETCM(SW)(NUC)	36	36	36	36
ETCS(SW)(NUC)	36	36	36	36
ETC(SW)(NUC)	48	36	48	36
ET1(SW)(NUC)	60	36	60	36
ET2(SW)(NUC)	60	36	60	36
ET3(SW)(NUC)	60	36	60	36
ETSN(SW)(NUC)	60	36	60	36
EWCM	42	36	42	36
EWCS	42	36	42	36
EWC	42	36	42	36
EW1	48	36	48	36
PAGE 05 RUENAAA6067 UNCLAS				
EW2	54	36	54	36
EW3	54	36	54	36
EWSN	54	36	54	24
FCCM	36	36	42	36

FCCS	36	36	42	36
FCC	36	36	36	36
FC1	48	36	48	36
FC2	48	36	48	36
FC3	60	36	60	36
FCSN	60	36	60	24
FN	48	24	54	24
FTCM	36	36	36	36
FTCS	36	36	36	36
FTC	48	36	48	36
FT1	48	36	48	36
FT2	54	36	54	36
FT3	54	36	54	36
FTFN	54	36	54	24
GMCM	36	36	42	36
GMCS	36	36	42	36
PAGE 06 RUENAAA6067 UNCLAS				
GMC	42	36	42	36
GM1	48	36	48	36
GM2	60	36	48	36
GM3	60	36	60	36
GMSN	60	36	60	24
GSCM	36	36	42	36
GSCS	48	36	48	36
GSEC	48	36	48	36
GSE1	48	36	48	36
GSE2	60	36	54	36
GSE3	60	36	60	24
GSEFN	60	36	60	24
GSMC	48	36	48	36
GSM1	48	36	48	36
GSM2	60	36	54	36
GSM3	60	36	60	24
GSMFN	60	36	60	24
HM 0000/8404 (E5/9)	36	36	36	36
HM 0000/8404 (E1/4)	36	36	36	36
HM 8401	36	36	48	36
HM 8402	36	36	36	36
HM 8403	60	36	60	36
HM 8406	48	36	48	36
HM 8407	36	36	36	36
HM 8408	36	48	36	36
HM 8409	36	48	36	36
HM 8416	36	48	36	36
HM 8424	48	36	48	36
HM 8425	36	36	36	36
HM 8427	60	36	60	36
HM 8432	48	36	36	36
HM 8434	NA	48	36	36
HM 8445	36	48	36	36
HM 8446	36	48	36	36
HM 8451	36	36	36	36
PAGE 02 RUENAAA6068 UNCLAS				
HM 8452	36	48	36	36
HM 8454	36	48	36	36
HM 8463	36	48	36	36

HM 8466	36	48	36	36
HM 8467	36	36	36	36
HM 8472	36	48	36	36
HM 8478	36	48	36	36
HM 8479	36	48	36	36
HM 8482	36	36	36	36
HM 8483	36	36	36	36
HM 8485	36	48	36	36
HM 8486	36	48	36	36
HM 8489	36	48	36	36
HM 8491	60	36	60	36
HM 8492	60	36	60	36
HM 8493	60	36	48	36
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HM 8495	36	48	36	36
HM 8496	36	36	36	36
HM 8503	36	48	36	36
PAGE 03 RUENAAA6068 UNCLAS				
HM 8505	36	48	36	36
HM 8506	36	48	36	36
HM 8541	36	48	36	36
HTCM	36	36	42	36
HTCS	36	36	36	60
HTC	36	36	36	60
HT1	48	36	48	60
HT2	60	36	42	60
HT3	60	36	60	24
HTFN	60	36	60	24
ICCS	36	36	48	36
ICC	36	36	36	36
IC1	48	36	48	36
IC2	54	36	54	36
IC3	60	36	60	24
ICFN	60	36	60	24
ISCM	42	36	36	36
ISCS	42	36	36	36
ISC	42	36	36	36
IS1	42	36	42	36
PAGE 04 RUENAAA6068 UNCLAS				
IS2	42	36	42	36
IS3	42	42	42	36
ISSN	42	42	42	24
JOCM	42	60	48	48
JOCS	42	60	36	54
JOC	42	60	36	48
JO1	48	54	36	48
JO2	42	42	42	42
JO3	48	48	45	42
JOSN	48	48	60	24
LICM	36	48	36	36
LICS	36	48	36	36
LIC	36	36	42	36
LI1	48	36	48	36
LI2	48	36	48	36
LI3	54	36	51	36
LISN	54	36	54	24

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LNCM                        1   2                   1    2
LNCS                        1   2                   1    2
LNC                         1   2                   1    2
PAGE 05 RUENAAA6068 UNCLAS
LN1                         1   1                   1    1
LN2                         1   1                   1    1
LN3                         1   1                   1    1
4.  RELEASED BY VADM D. T. OLIVER, N1.//
BT
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RTAUZYUW RUENAAA6066 2472217-UUUU--RUCRNAD.
ZNR UUUUU
R 042106Z SEP 98 ZYB MIN PSN 267090J24
FM CNO WASHINGTON DC//N1//
TO NAVADMIN
BT
THIS IS A 3 SECTIONED MSG COLLATED BY MDS
UNCLAS //N01306//
PART TWO OF TWO - PART ONE IDENT IS 042105Z SEP 98
NAVADMIN 192/98
MSGID/GENADMIN/N132//
SUBJ/SEA/SHORE ROTATION TOUR LENGTH REVISIONS//
REF/A/RMG/CNO WASHINGTON DC/290030ZJUL95//
REF/B/RMG/CNO WASHINGTON DC/251357ZFEB97//
REF/C/DOC/ENLTRANSMAN//
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POC/RENEGAR, M./LT/N132D15A/COMM: (703) 614-6649/DSN: 224-6649//
RMKS/

MACM	36	36	36	36
MACS	36	36	36	36
MAC	42	36	42	36
PAGE 02 RUENAAA6066 UNCLAS				
MA1	48	36	48	36
MA2	60	36	60	36
MA3	60	36	60	36
MMCM(SS)	36	36	36	36
MMCS(SS)	36	36	36	36
MMC(SS)	48	36	48	36
MM1(SS)	48	36	48	36
MM2(SS)	54	36	54	36
MM3(SS)	54	36	54	36
MMFN(SS)	54	36	54	24
MMCM(SS)(NUC)	36	36	36	36
MMCS(SS)(NUC)	48	36	48	36
MMC(SS)(NUC)	60	36	60	36
MM1(SS)(NUC)	60	36	60	36
MM2(SS)(NUC)	60	36	60	36
MM3(SS)(NUC)	60	36	60	36
MMFN(SS)(NUC)	60	36	60	36
MMCM(SW)(NUC)	36	36	36	36
MMCS(SW)(NUC)	36	36	36	36
MMC(SW)(NUC)	48	36	48	36
PAGE 03 RUENAAA6066 UNCLAS				
MM1(SW)(NUC)	60	36	60	36
MM2(SW)(NUC)	60	36	60	36
MM3(SW)(NUC)	60	36	60	36
MMFN(SW)(NUC)	60	36	60	36
MMCM	42	36	42	36
MMCS	42	36	42	36
MMC	42	36	36	36
MM1	48	36	36	36
MM2	60	36	48	36
MM3	60	36	60	24
MMFN	60	36	60	24

MNCM	36	36	39	36
MNCS	36	36	39	36
MNC	36	36	39	36
MN1	48	36	48	36
MN2	48	36	48	36
MN3	48	36	60	36
MNSN	48	36	60	24
MRCM	39	36	42	36
MRCS	39	36	36	48
PAGE 04 RUENAAA6066 UNCLAS				
MRC	39	36	36	48
MR1	42	36	36	48
MR2	48	36	36	48
MR3	48	36	48	36
MRFN	48	36	60	24
MSCM	36	36	36	36
MSCS	36	36	36	36
MSC	36	36	36	36
MS1	42	36	45	36
MS2	48	36	48	36
MS3	48	36	48	36
MSSN	48	36	51	24
MSCM(SS)	36	36	36	36
MSCS(SS)	36	36	36	36
MSC(SS)	48	36	48	36
MS1(SS)	48	36	48	36
MS2(SS)	54	36	54	36
MS3(SS)	54	36	54	36
MSSN(SS)	54	36	54	24
MTCM	36	36	36	36
PAGE 05 RUENAAA6066 UNCLAS				
MTCS	36	36	36	36
MTC	36	36	36	36
MT1	48	36	36	36
MT2	48	36	36	36
MT3	48	36	48	36
MTSN	48	36	48	24
MUCM	36	48	36	48
MUCS	36	48	36	48
MUC	36	48	36	48
MU1	36	48	36	48
MU2	36	48	36	48
MU3	36	48	36	48
MUSN	36	48	36	48
NCCM	36	48	36	48
NCCS	36	36	36	48
NCC	36	36	36	48
NC1	48	36	36	48
OSCM	36	36	48	36
OSCS	48	36	48	36
OSC	48	36	48	36
PAGE 06 RUENAAA6066 UNCLAS				
OS1	48	36	48	36
OS2	60	36	54	36
OS3	60	36	60	36
OSSN	60	36	60	24

PCCM	36	48	36	36
PCCS	36	48	36	36
PCC	36	36	36	36
PC1	48	36	45	36
PC2	60	36	48	36
PC3	60	36	51	36
PCSN	60	36	60	24
PHCM	42	42	42	54
PHCS	42	45	42	54
PHC	42	48	42	48
PH1	48	48	42	48
PH2	42	42	48	42
PH3	54	45	60	30
PHAN	54	45	60	24
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PNCS	42	60	36	54
PNC	48	60	42	48
PN1	42	54	36	48
PN2	42	54	42	48
PN3	60	42	54	36
PNSN	60	42	60	24
PRCM	36	36	36	36
PRCS	36	36	36	36
PRC	36	36	36	36
PR1	45	45	42	45
PR2	45	36	45	36
PR3	48	48	48	42
PRAN	48	48	48	24
QMCM	36	36	42	36
QMCS	36	36	42	36
QMC	48	36	42	36
PAGE 02 RUENAAA6067 UNCLAS				
QM1	60	36	48	36
QM2	60	36	48	36
QM3	60	36	60	36
QMSN	60	36	60	24
RMCM	39	36	39	36
RMCS	39	36	39	36
RMC	42	36	39	36
RM1	48	36	42	36
RM2	48	36	45	36
RM3	48	36	60	36
RMSN	48	36	60	24
RPCM	42	48	42	36
RPCS	42	48	42	36
RPC	42	48	42	36
RP1	42	48	42	36
RP2	42	42	42	36
RP3	45	48	48	36
RPSN	45	48	45	36
SHCM	42	36	42	36
SHCS	42	36	42	36
PAGE 03 RUENAAA6067 UNCLAS				
SHC	48	36	45	36
SH1	54	36	51	36
SH2	60	36	54	36

SH3	60	36	54	30
SHSN	60	36	60	24
SKCM	36	36	36	36
SKCS	36	36	36	36
SKC	36	36	36	36
SK1	42	36	45	36
SK2	48	36	48	36
SK3	48	36	48	36
SKSN	48	36	51	24
SKCM (SS)	36	36	36	36
SKCS (SS)	36	36	36	36
SKC (SS)	48	36	36	36
SK1 (SS)	48	36	36	36
SK2 (SS)	48	36	36	36
SK3 (SS)	48	36	48	36
SKSN (SS)	48	36	48	24
SMCM	36	36	48	36
PAGE 04 RUENAAA6067 UNCLAS				
SMCS	48	36	48	36
SMC	48	36	48	36
SM1	60	36	48	36
SM2	60	36	54	36
SM3	60	36	60	36
SMSN	60	36	60	24
SN	48	24	54	24
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STGCS	36	36	42	36
STGC	36	36	36	36
STG1	48	36	48	36
STG2	48	36	48	36
STG3	60	36	60	36
STGSN	60	36	60	24
STSCM	36	36	36	36
STSCS	36	36	36	36
STSC	48	36	48	36
STS1	48	36	48	36
STS2	54	36	54	36
STS3	54	36	54	36
PAGE 05 RUENAAA6067 UNCLAS				
STSSN	54	36	54	24
SWCS	36	36	36	36
SWC	36	36	36	36
SW1	36	36	36	36
SW2	48	36	54	36
SW3	48	36	54	36
SWCN	48	36	54	24
TMCM	36	48	39	36
TMCS	36	48	39	36
TMC	36	48	39	36
TM1	36	42	39	36
TM2	48	36	42	36
TM3	48	36	60	36
TMSN	48	36	60	36
UCCM	36	36	36	36
UTCS	36	36	36	36
UTC	36	36	36	36

UT1	36	36	36	36
UT2	48	36	54	36
UT3	48	36	54	36

PAGE 06 RUENAAA6067 UNCLAS

UTCN	48	36	54	24
YNCM	42	60	45	48
YNCS	42	60	45	48
YNC	42	60	42	54
YN1	42	60	42	54
YN2	42	60	45	48
YN3	42	48	60	48
YNSN	42	48	54	48
YNCM (SS)	36	36	36	36
YNCS (SS)	36	36	36	36
YNC (SS)	36	36	36	36
YN1 (SS)	36	36	36	36
YN2 (SS)	36	36	36	36
YN3 (SS)	48	36	48	36
YNSN (SS)	48	36	48	36
A/C 82XX (E7-E9)	36	36	36	36
A/C 82XX (E1-E6)	42	36	42	36
A/C 8215 (E7-E9)	36	36	36	36
A/C 8215 (E1-E6)	42	36	42	36
DV 5342	36	36	36	36
DV 5343	36	36	36	36
EOD 533X	60	36	60	36
MDV 5341/6	36	36	36	36
SAT DV (5311)	36	36	36	36
SEAL (532X)	60	24	60	24

5. HOSPITAL CORPSMAN (HM) AND DENTAL TECHNICIAN (DT): THE NORMAL SHORE TOUR (NST) AND PRESCRIBED SEA TOUR (PST) FOR THE HM AND DT RATINGS ARE BASED ON NEC. THE ROTATION PATTERN FOR ALL NECS IS DESIGNATED AS SEA/SHORE, ALTHOUGH A FEW NECS ARE MANAGED, BY EXCEPTION, AS OUTUS/CONUS TO INCLUDE TYPES 2, 3, 4, 5, AND 6 DUTY. CONUS DUTY ACTIVITIES INCLUDE ALL TYPE 1 DUTY. BACK-TO-BACK CONUS DUTY IS AUTHORIZED BY EXCEPTION WHEN SEA/OUTUS DUTY IS NOT AVAILABLE. MEMBERS ON DEPENDENT RESTRICTED OR OVERSEAS TOURS WITH A TOUR LENGTH SHORTER THAN 36 MONTHS MAY BE REASSIGNED TO SEA DUTY TO FULFILL A PST. HM/DT "A" SCHOOL GRADUATES ARE ASSIGNED TO SEA/OUTUS FOR THEIR

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INITIAL TOUR. HM/DT "A" SCHOOL GRADUATES FOR WHICH NO SEA/OUTUS DUTY IS AVAILABLE, MAY BE ASSIGNED TO TYPE 1 (SHORE CONUS) FOR AN INITIAL 24 MONTH TOUR, OR ADVANCED "C" SCHOOL TRAINING FOR BEST QUALIFIED CANDIDATES

6. CRYPTOLOGIC TECHNICIANS (CT): DUE TO THE UNIQUE BILLET DISTRIBUTION WITHIN NAVSECGRU, CT ROTATION IS ESTABLISHED AS OUTCONUS AND CONUS TOURS VICE SEA AND SHORE TOURS. THE ANNOTATED FIGURES REFLECT THE NUMBER OF OUTCONUS TOURS AN INDIVIDUAL IS REQUIRED TO SERVE. IT SHOULD BE NOTED THAT BILLET VACANCIES/NEC REQUIREMENTS MAY REQUIRE DEVIATION FROM THIS ROTATION PATTERN. THE NORMAL CONUS TOUR FOR CT'S WILL BE 36 MONTHS.

7. DATA SYSTEMS TECHNICIANS (DS): THE DS RATING MERGES INTO THE ET/FC RATINGS ON 1 OCT 98. THERE WILL BE NO PRD CHANGES. AFTER THE CONVERSION, FORMER DS PERSONNEL WILL REMAIN AT THEIR CURRENT DUTY STATION UNTIL PRD. FORMER DS PERSONNEL RECEIVING ORDERS FOLLOWING THE CONVERSION WILL BE ASSIGNED TO ET OR FC SEA/SHORE ROTATION

TOUR LENGTHS.
8. NON-DESIGNATED AN, FN, AND SN PERSONNEL WILL SERVE 54 MONTH SEA TOURS AND HAVE THEIR PRDS SET ACCORDINGLY. NON-DESIGNATED PERSONNEL WHO ARE INITIALLY ASSIGNED TO SHORE DUTY WILL COMPLETE A 24 MONTH
PAGE 03 RUENAAA6068 UNCLAS
TOUR AND THEN ROTATE TO SEA DUTY WITH THEIR PRD SET TO A NORMAL PST. SUBSEQUENT DESIGNATION WILL DICTATE READJUSTMENT OF THEIR PRD TO COINCIDE WITH PST AND DOD TOUR LENGTH AS APPROPRIATE. SERVICE TIME PRIOR TO DESIGNATION WILL COUNT TOWARD THIS NEW TOUR.
9. DESIGNATED E1-E3 PERSONNEL WHO ARE INITIALLY ASSIGNED TO CONUS SHORE DUTY (TYPE 1) WHO ARE PHYSICALLY FIT FOR SEA DUTY, WILL COMPLETE A 24 MONTH SHORE TOUR AND THEN ROTATE TO SEA DUTY (TYPE 2, 3, AND 4) WITH THEIR PRDS SET TO THE PST FOR THEIR RESPECTIVE RATING.
10. RELEASED BY VADM D. T. OLIVER, N1.//
BT

RAAUZYUW DDDHHMM-UUUU-- .
ZNR UUUUU
R 012027Z JUL 97 ZYB
FM CNO WASHINGTON DC//N1//
TO NAVADMIN
BT
UNCLAS //N01306//
NAVADMIN 192/97
MSGID/GENADMIN/PERS-221S//
SUBJ/TAR SEA/SHORE ROTATION TOUR LENGTH REVISION//
REF/A/RMG/BUPERS/092245ZJAN91//
NARR/REF A IS NAVADMIN 005/91//
RMKS/1. THIS NAVADMIN REVISES TAR SEA/SHORE TOUR LENGTHS PROMULGATED REF A. REVISED TOUR LENGTHS INCORPORATE INCREMENTAL CHANGES TO RATIO OF TAR SEA/SHORE BILLETS IN PROJECTED BILLET FILE THAT HAVE OCCURRED SINCE 1991. THEY ARE EFFECTIVE AS OF THE DATE OF THIS MESSAGE AND WILL BE INCORPORATED IN THE NEXT REGULAR CHANGE TO THE ENLISTED TRANSFER MANUAL. PCS ORDERS WRITTEN AFTER THE EFFECTIVE DATE OF THIS MSG WILL REFLECT REVISED SEA/SHORE TOUR LENGTHS. NO CHANGES TO CURRENT PRDS ANTICIPATED.
2. TO EASE READABILITY, RATINGS WITH REVISED TOUR LENGTHS ARE PRECEDED BY AN ASTERISK.

RATE/PAYGRADE	CURRENT	REVISION
ACCM	36/36	36/36
ACCS	36/36	36/36
*ACC	60/60	36/60
*AC1	60/60	36/60
*AC2	60/60	36/60
*AC3	60/60	36/60
*ACAN	60/60	36/60
*ADCS	36/36	60/42
*ADC	48/48	60/42
*AD1	48/48	60/42
*AD2	48/48	60/42
*AD3	48/48	60/42
*ADAN	48/48	60/42
*AECS	36/36	60/42
*AEC	48/48	60/42
*AE1	48/48	60/42
*AE2	48/48	60/42
*AE3	48/48	60/42
*AEAN	48/48	60/42
AFCM	36/36	36/36
*AKCM	36/36	36/60
*AKCS	36/36	36/60
*AKC	48/48	36/60
*AK1	48/48	36/60
*AK2	48/48	36/60
*AK3	48/48	36/60
AKAN	48/48	48/48
AMCS	36/36	36/36
AMEC	48/48	48/48
*AME1	48/48	60/42
*AME2	48/48	54/42
*AME3	48/48	54/42
*AMEAN	48/48	60/42

*AMHC	48/48	54/42
*AMH1	48/48	60/42
*AMH2	48/48	60/42
*AMH3	48/48	60/42
*AMHAN	48/48	60/42
*AMSC	48/48	60/42
*AMS1	48/48	60/42
*AMS2	48/48	60/42
*AMS3	48/48	60/42
*AMSAN	48/48	60/42
*AOCM	36/36	36/60
*AOCS	36/36	36/60
*AOC	48/48	36/60
AO1	48/48	48/48
AO2	48/48	48/48
AO3	48/48	48/48
AOAN	48/48	48/48
*ASCM	36/36	36/60
*ASCS	36/36	36/60
*ASC	48/48	36/60
*AS1	48/48	36/60
*AS2	48/48	36/60
*AS3	48/48	36/60
*ASAN	48/48	36/60
ATCS	36/36	36/36
ATC	48/48	48/48
AT1	48/48	48/48
AT2	48/48	48/48
AT3	48/48	48/48
ATAN	48/48	48/48
AVCM	36/36	36/36
*AWCM	36/36	36/60
*AWCS	36/36	36/60
AWC	48/48	48/48
AW1	48/48	48/48
*AW2	48/48	60/42
*AW3	48/48	60/42
AWAN	48/48	48/48
AZCM	36/36	36/36
AZCS	36/36	36/36
AZC	48/48	48/48
AZ1	48/48	48/48
AZ2	48/48	48/48
AZ3	48/48	48/48
AZAN	48/48	48/48
BMCM	36/36	36/36
*BMCS	36/36	36/42
BMC	36/42	36/42
*BM1	36/36	36/48
*BM2	36/36	36/48
*BM3	36/36	48/36
*DCCM	36/36	36/48
*DCCS	36/36	36/48
*DCC	36/42	36/36
DC1	36/36	36/36
*DC2	36/36	36/48

*DC3	36/36	48/36
*DCFN	48/24	48/36
*DKCM	36/36	36/48
*DKCS	36/36	36/48
*DKC	36/42	36/48
*DK1	36/36	36/48
DK2	36/36	36/36
*DK3	36/36	36/42
*DKSN	48/24	42/36
*DPCM	36/36	36/48
*DPCS	36/36	36/48
*DPC	36/48	36/42
*DP1	36/36	36/48
*DP2	36/36	36/42
*DP3	36/36	42/36
DPSN	48/36	48/36
*EMCM	36/36	36/48
EMCS	36/36	36/36
*EMC	36/42	36/48
EM1	36/36	36/36
EM2	36/36	36/36
*EM3	36/36	42/36
*EMFN	48/24	42/36
*ENCM	36/36	42/36
ENCS	36/36	36/36
*ENC	36/42	36/36
EN1	36/36	36/36
EN2	36/36	36/36
*EN3	36/36	48/36
*ENFN	48/24	48/36
*ETCM	36/36	36/48
*ETCS	36/36	42/36
*ETC	36/42	36/36
*ET1	36/36	36/42
*ET2	36/36	36/42
*ET3	48/24	48/36
*ETSN	48/24	48/36
*HMCM	36/36	36/48
*HMCS	36/36	36/48
*HMC	36/36	36/48
*HM1	36/36	36/60
*HM2	36/36	36/48
*HM3	36/36	36/42
*HN	48/24	36/42
*HTCM	36/36	36/48
*HTCS	36/36	36/48
*HTC	36/42	36/60
*HT1	36/36	36/42
*HT2	36/36	36/48
*HT3	36/36	42/36
*HTFN	36/36	42/36
*ICCS	36/36	42/36
*ICC	36/42	36/48
IC1	36/36	36/36
*IC2	36/36	42/36
*IC3	36/36	42/36

*ICFN	48/24	42/36
*MRCM	36/36	36/48
*MRCS	36/36	36/48
*MRC	36/42	36/48
*MR1	36/36	36/60
*MR2	36/36	36/42
*MR3	36/36	42/36
*MRFN	48/24	42/36
*MSCM	36/36	36/42
MSCS	36/36	36/36
*MSC	36/42	36/36
*MS1	36/36	42/36
*MS2	36/36	42/36
MS3	36/36	36/36
*MSSN	48/24	48/36
*NCCM	36/36	36/48
NCCS	36/36	36/36
*NCC	36/42	36/48
NC1	36/36	36/36
*PNCM	36/36	36/48
*PNCS	36/36	36/48
*PNC	36/42	36/48
*PN1	36/36	36/48
*PN2	36/36	36/48
*PN3	36/36	36/42
*PNSN	48/36	42/36
*PRCM	36/36	36/60
*PRCS	36/36	36/60
*PRC	48/48	36/60
*PR1	48/48	48/36
PR2	48/48	48/48
*PR3	48/48	60/36
*PRAN	48/48	60/36
*RMCM	36/36	36/48
*RMCS	36/36	42/36
*RMC	36/42	48/36
*RM1	36/36	36/42
*RM2	36/36	42/36
*RM3	36/36	48/36
*RMSN	48/24	48/36
*SKCM	36/36	36/48
*SKCS	36/36	36/42
SKC	36/42	36/42
*SK1	36/36	36/48
*SK2	36/36	36/42
*SK3	36/36	36/42
*SKSN	48/24	42/36
*YNCM	36/36	36/48
*YNCS	36/36	36/48
YNC	36/42	36/42
*YN1	36/36	36/48
*YN2	36/36	36/48
*YN3	36/36	36/42
*YNSN	48/36	42/42

3. DIRECT QUESTIONS ON POLICY TO PERS-221S AT DSN 224-6646 OR COMM (703) 614-6646. DIRECT INQUIRIES ON PRD ADJUSTMENTS AND/OR

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IMPLEMENTATION OF SEA/SHORE TOURS TO THE TAR ENLISTED DETAILERS.
4.  RELEASED BY VADM D. T. OLIVER, N1.//
|N1
|NAVADMIN DISTRIBUTION
BT
#
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Source: CNO N12

Exhibit 31

Career Progression Exclusion Criteria

DON supplemental guidance for the IG/CA Inventory directed claimants not to apply the reason codes for military rotation (henceforth, referred to as sea-shore rotation) (E), career progression (F) or Congressionally Mandated Floors (K) to the authorizations for which they are cognizant, because these codes are centrally managed by OPNAV N1. The guidance further stated that authorizations to which the claimants did not apply reason codes would default to reason code R (subject to review). To maintain a sufficient number of authorizations for sea-shore rotation and career progression requirements, N1 upgraded reason codes applied by the claimants. Reason codes were upgraded from reason code R only. Also, career progression requirements were coded prior to those for sea-shore rotation.

Career Progression

Career progression coding was applied to provide for skill development, rating/designator proficiency maintenance and requirements for specialized skills. Enlisted billets requiring specialized skills were identified by Navy Enlisted Classification (NEC) code (primary and secondary). Officer billets requiring specialized skills were identified by Primary Sub-specialty (PSUB) and/or Additional Qualification Designation (AQD) codes.

All E4 and E5 authorizations coded with a primary or secondary NEC were identified. This provided coverage for E4 authorizations not included in rotation requirements. All E4 through E9 billets with secondary NECs were also identified to provide for career progression requirements for special skill categories, e.g. instructors. All officer authorizations coded with a PSUB and/or AQD were identified.

Source: CNO N12

Exhibit 32

Functional Areas Identified for Review by the CAWG

(R – coded civilian and military positions)

Function Code	Function	Number of Positions (1)
S716 and S717	Motor Vehicle Operations and Maintenance	1,748
'S' coded positions	Installation Services	6,324 (2)
S999	Other Installation Services	925
S,T,U & Y - 000D	Administrative Support	7,716
Z992	Maintenance & Repair of Real Property	2,406
'T' coded positions	Other Non Manufacturing Operations	4,963 (2)
T999	Other Other Non Manufacturing Operations	3,189
S713	Food Services	176
'W' coded positions	Automatic Data Processing (ADP)	2,144 (3)
S,T,U & Y – 000C	ADP Support	1,376
various	Financial & Payroll	497
T801	Storage & Warehousing	1,020
G904	Family Services	1,054

In addition, we should review those coded as 999 (Other) and Program/Contract Management.

(1) Numbers based on the FY1998 IG/CA Inventory as submitted to OSD. Refer to exhibit 14.
(2) Totals exclude numbers included elsewhere on this list.
(3) Total excludes function code W286 - Systems Design, Development Services.

Exhibit 33

Data on BPR and other non-A76 initiatives (to be added in a future update)